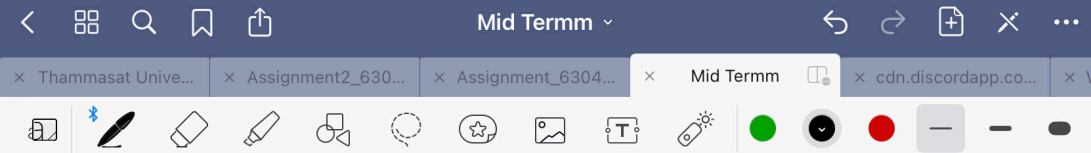


Development in Thailand

Thailand economy is a mixed developing economy and a newly industrialized country. It also ranked 25th in the world in terms of gross domestic product. The inflation rate is about 1.1%. The manufacturing and service sectors in Thailand gross domestic product counted 39.2% of GDP, agriculture accounts for 8.4% of GDP less than transportation and trade as well as communication which account for 13.4% and 9.8% of GDP, respectively construction and mining accounted for 4.3% of GDP the other sectors included the finance, education, hotel and restaurants sector accounted for 24.9% of GDP.

In the past, Thailand had limited industrial development. In Ayutthaya period and the beginning of the Rattanakosin period most of the major industries are handicraft product and easy processing of agricultural product later, rice mills, sawmills, breweries, sugar mills and cement factories were established as industrial factories. In the 10 years after WWII the industrial development policy focuses on investment by the state. In 1960, the act to promote investment in industrial activities was enacted to provide benefits to investor under this Act, a study on the development of Thai industries therefore, it is considered that Thailand has entered an era with new industries since around 1960 because after that there have been many new industries. There are foreign investment in many industries such as the electrical appliance industry, assembly of automobiles and motorcycles, chemicals and textiles. Industrial development from 1960 to 1969 focused mainly on strategy of import substitution are imported for domestic sales including products that are in the nature of assembling parts such as cars and electrical appliances, subsequently, since the period of the third economic plan (1972-1976), there has been a start to promote more export industries. This happened for a number of reasons: some import substitution industries began to slow down and has been criticized as substituting import in the industrial sector contributes little to the country's currency saving. Because of capital goods intermediate products and most of the raw materials depend on imports. It also caused the concentration of industrial plants near Bangkok, because the factory will be located in the source near the market and in the area with complete facilities. academics at that time supported strategies to promote export in industrial product. There are economies of scale because there is a global market as a supporting market and labor advantage also agricultural raw materials. Thailand saw new industrialized countries such as south Korea and Taiwan with high economic growth rates from the development of exports it also affect the change in the concept of industrial development.

Since then Thai export industry has seen very high growth rate over many decades. The main export industries of Thailand in the early stages were food production, textiles. Later Thai exports became more diversified including jewelry, plastic and ceramic product such as furniture and some electrical appliances. In the period from about 1987 onward, change in the international economy especially the change in the value of money in Japan, Taiwan, Korea and other country. Thailand also having a good investment climate contribute to stimulating foreign investment in Thailand in many industries both electronic automobile and electrical appliances foreign investment in Thai industry has increased volume and has become more diversified.



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Changes in Industrial Development strategy to promote the import substitution industry to promote Thai exports with great success from the start of export industry promotion in the early 1970's until the early 1990's, Thailand has been regarded as one of the world's fastest growing economies. The growth of the industrial sector has played a key role in the the continuous expansion of the Thai economy at that time. The growth of exports of industrial products with very high growth rates in more than two decades is a very important factor in the growth of the Thai economy

During the first decade of the promotion of exports several policies and measures to protect industries of imports, such as collect very high tax from import goods and promotion of investment in the industry instead of imports by giving preferential treatment by the board of investment (BOI) has not changed much. to reduce the protection of industrial substitution for imports, such as the reduction of custom duties, reducing the promotion of import substitution industries by the BOI, however, even though the Thai industrial sector has grown a lot the industrial sector became a very important economic sector in GDP, but industrial growth slowed dramatically in the 1990 after 1997 economic crisis there has been a resurgence in the span of a few years. But the rate of economic growth and the expansion of the export industry has slowed down.

During the reign of King Rama IV, there was a growing friendship and trade with foreigners. In 1855, make a diplomatic and trade treaty with England called Bowring treaty which Thailand later signed the same treaty with many other countries which opens the country more widely. When western contacted to trade with Thailand more during the reigns of King Rama V and Rama VI there were several attempts to established a central bank in Thailand. for the right to issue banknote with beautiful rewards but it was unsuccessful because Thai side saw that those foreigners only wanted to take advantage of one side Thailand realize the importance of having a Thai central bank to be a medium of trade and economy, But the central bank program was fail because at the time there was a lack of experience and knowledgeable personnel. The interest in establishing a central bank arose again after a change in governance in 1932 following the proposal of the people party economic outline which was commissioned by Mr. Pridi panomyong. The draft discussed the need to establish a national bank to be one of the machanisms for the country economy Mr. Pridi econoic outline has not been approved by the Prime Minister and other minister.

After Phraya Phahonphonphayuhasena seized power on 20 June 1933, there was support for the creation of a national bank again. Minister of the Treasury brought the matter to discuss with Mr. James Baxter, Treasury Advisor at the time which commented that it is not yet time to set up a central bank. This is because Thailand does not have any banking specialists, no capital and there is no Thai commercial banking system.

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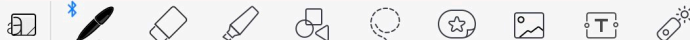
The government pushed for the establishment of central bank again in 1935 the Cabinet resolved to ask the Ministry of Finance to consider a bill on the establishment of a national bank, 1935, which was drafted by Luang Woranit Pricha. Proposed to merge Bank of Siam Kamachd Capital company Limited to become a national bank there were only 8 section of the act, which the Director-General of the Comptroller General's Department at that time considered that this Act lacks due diligence and detail are unclear. Later on December 16 1938 Major General Luang Phibunsongkhrum was appointed Prime Minister and appointed Mr. Pridi as the Minister of Finance. Upon receiving the position, Mr Pridi revived the establishment of the National Bank the advisor already use at that time. Mr. Pridi tries to understand the necessity and intentions of authorities which eventually received good cooperation in helping to draft a law to establish the Thai National Bank. This was the first step towards the establishment of Thailand's central bank eventually.

In the establishment of the Thai Nation Bank, Mr Pridi, Minister of Finance has given to her royal family Prince Winattanachai, Advisers of the Thai Ministry of Finance are responsible for drafting a law establishing a national bank in addition to foreign advisor who have already done so. Finally on preparation for the establishment of the Thai National bank was presented to Prime minister when the Council of Ministers has considered the bill to change the name of the act to draft act establishing the Thai national Bank office after being considered by the house of Representative, it was announced in the government Gazette on 26 October 1939. One of the objective of the establishment of the National Bank of Thailand was to prepare employees for work in the central bank business and responsible for managing government loans.

And that is the development of finance in Thailand now they establish central bank of Thailand, Financial institutions play an important role in driving the financial economy of the country. By raising and allocating funds to the real economy sector payment and service risk management as well as providing financial institution' operations is efficient, transparent with good governance and appropriate risk management. Not causing damage to the public's deposits is important.

Government is a person who has the authority to perform the process of governance. Elements for management in various issues whether it is in the matter of power or an organization to perform such as administrative and judicial bodies government is different from governance is the process of governance that consist of with the powers and duties of government agencies to look after and drive the society, economy, and environment

The role of government in the economy, due to the goal of sustainability product and service systems are important obligations and opportunities to develop the role of government in the economy to make changes economically is efficient also more fair and create less impact from operation



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the government should play a leading role in the development. The six roles of the state in the economy are: 1) political interest and the state should be the main goal of its activities in the economy 2) the state should control the operations in the economy as a resource allocator 3) state participation in the economic process at all level 4) Welfare of society and the distribution of state income 6) Social equality in the economy

The role of the state in politics refers to the social governance that is the unit that determines the direction of society. On political and economic issues, which defines the role of the state in politics. They differ from the definition of the state role in politics, namely, the state operation

The role of government to support continuing education as an activity and policies in practice, to support public education should begin from cultivating the family as well as admission to school which supports the view, which mean that the government will help support the budget in education for the deprived for those people to have access to basic education

Thailand working-age population was about 57 million in 2019 of 67% participated in the labor market. At around 38 million the labor force is the sixth largest in the East Asia and Pacific region. Thailand labor market faces several challenge including a declining labor force participation, slow shift of job out of agriculture and high rate of informality. Older people face particular challenges in the labor market due to care responsibilities, health and lower education levels.

Population aging in Thailand is occurring while Thailand is at a relatively low-income level compare to other country in south east Asia such as China and Japan which GDP per capita is higher than Thailand. Population aging could have a negative effect on economic growth. Thailand declining working age population implies a mechanical decrease in growth in income per capita.