

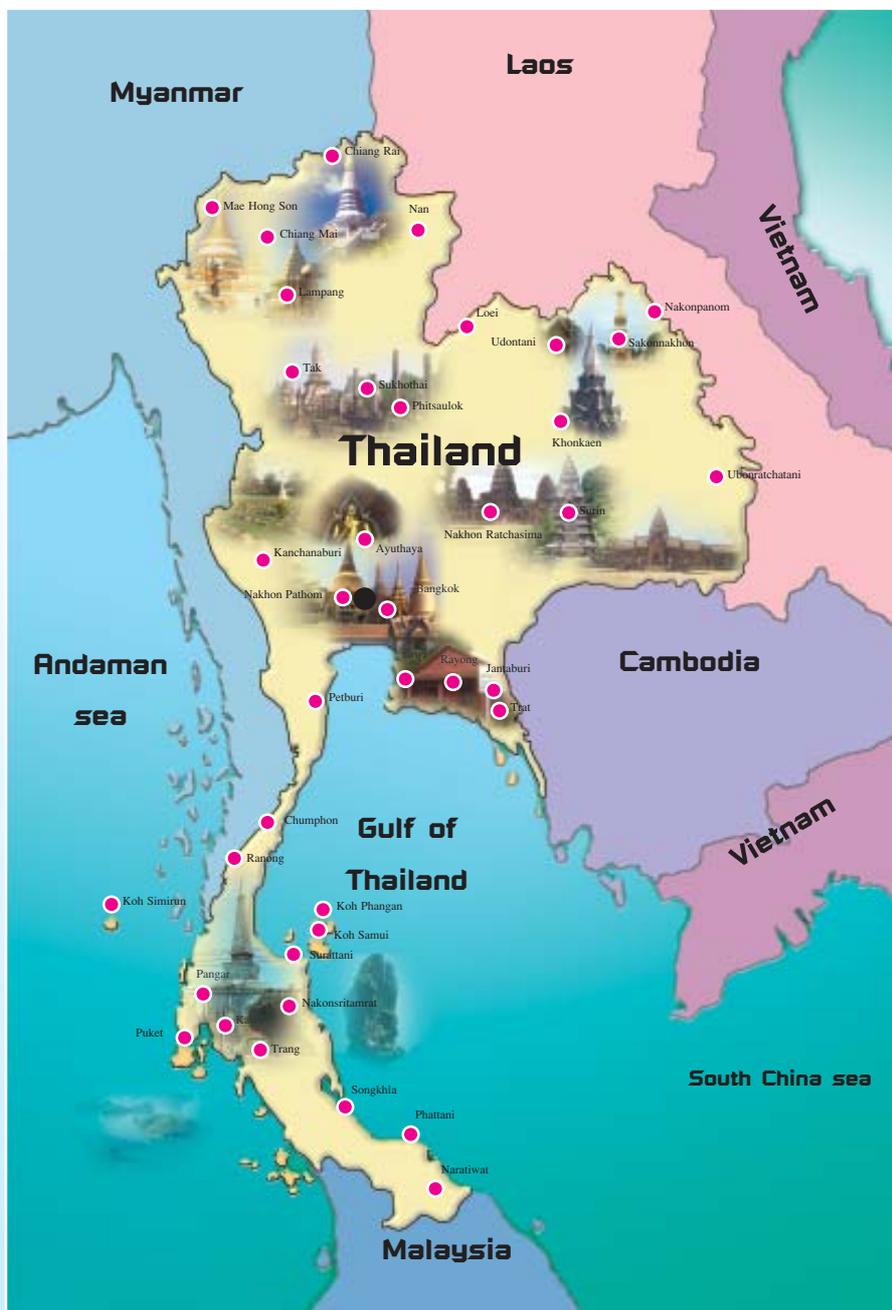
CHAPTER 2

THAILAND COUNTRY PROFILE

1. Location, Territory and Boundary

The Kingdom of Thailand is situated in the continental Southeast Asia, just north of the equator, and is part of the Indochina Peninsula (Figure 2.1).

Figure 2.1 Map of Thailand





Thailand covers an area of about 514,000 square kilometres. It is the third largest country among the Southeast Asian nations, after Indonesia and Myanmar. The borders around Thailand are totally about 8,031 kilometres long, of which 5,326 kilometres are inland and the other 2,705 kilometres are coastlines (including 1,840 kilometres of coastlines of the Gulf of Thailand and 865 kilometres on the Andaman seaside).

In the North, the northernmost part of Thailand is in Mae Sai District of Chiang Rai Province, bordered by the Union of Myanmar and the Lao People's Democratic Republic.

In the South, the southernmost part is in Betong District of Yala Province, bordered by Malaysia and the Gulf of Thailand.

In the East, the easternmost part is in Phibun Mangsahan District of Ubon Ratchathani Province, bordered by the Lao People's Democratic Republic and the Kingdom of Cambodia.

In the West, the westernmost part is in Mae Sariang District of Mae Hong Son Province, bordered by the Union of Myanmar, the Andaman Sea, and the Strait of Malacca.

The whole Kingdom is in the same time zone, seven hours ahead of the Greenwich Mean Time.

2. Topography and Climate

2.1 Topography. Thailand can be topographically divided into three different areas:

2.1.1 The plains. Mostly the plain areas are in the Central Region of the country, i.e., basins of the Chao Phraya River and its tributaries (Ping, Wang, Yom and Nan), and the Mae Klong, Phetchaburi, Bang Pakong, Thachin, and Pa Sak rivers.

2.1.2 The highlands. Highland areas are mostly in the Northeast, i.e., the Korat Plateau, including the Mun and Chi rivers basins.

2.1.3 The mountains. Mostly it is mountainous in the North and the Southeast which cover the Ranges of Daen Lao, Luang Phra Bang, Thanon Thongchai, Phetchabun, and Tanao Si.

2.2 Climate. Thailand has three types of climate as follows:

2.2.1 Tropical rain climate in the coastal areas in the East and the South, with heavy rainfalls all year round and tropical rain forests.

2.2.2 Tropical monsoon climate in the south-western and south-eastern coasts with monsoons and a very high average annual rainfall.

2.2.3 Seasonal tropical grassland or savannah climate with a lot of heavy rains in the south-west monsoon season and droughts in the cold season covering most regions of the country, particularly the Central Region, the North and the North-east.

Prevailing winds include the south-westerly monsoon from about mid-May through October and the north-easterly monsoon from November through February.

In summary, Thailand has pleasant geographic and climatic conditions, without severe natural disasters like volcanic eruptions, earthquakes, or cold weather.

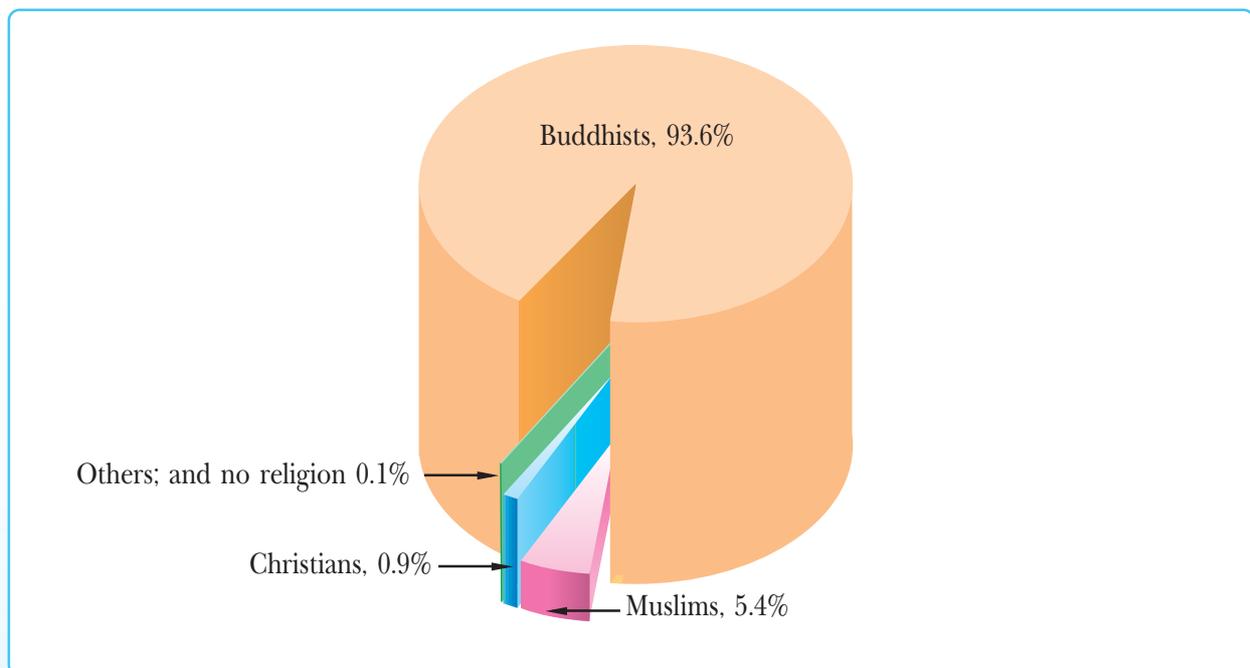
3. Population, Language and Religions

The population of Thailand is 63.5 million (2009); almost all residents (98.1%) are of Thai nationality and the rest are of other nationalities such as Chinese, Myanmar and Lao.

For communication purposes, the Thai language is officially and commonly used for speaking and writing, while English tends to play a greater role particularly in the business sector.

Most of Thai people are Buddhists (93.6%), followed by Muslims (5.4%), Christians (0.9%) and others (Figure 2.2).

Figure 2.2 Religions of Thai People, 2008



Source: Survey on Participation in Cultural Activities, 2008, National Statistical Office, 2009.

Note: Survey on population aged 15 years and over by religion.

4. Economy

In the past, the Thai economy was agrarian with mostly subsistence farming for household consumption and no commercial or export purposes. Regarding industry, the production was previously of local or village handicraft type. Later on in 1856, Thailand entered into the Bowring Treaty with England and other treaties with other Western countries, economic activities began. Since then, people's lifestyles in both urban and rural areas have changed to those of industrial manufacturing for import substitution and eventually for exports. The Thai economic system began to shift to the economic development era with National Economic and Social Development Plans, i.e., from the 1st Plan (1961-1966) through the current 10th Plan (2007-2011). Overall, Thailand is a free market economy and has been a member of the World Trade Organization (WTO) since 1 January 1995.



As a result of economic development, the Thai economy grew at an average rate of 7.8% annually during the period of more than three decades from 1961-1996, the first economic crisis occurred in 1985-1986 due to rising oil prices and Thailand had to seek the help from the International Monetary Fund (IMF) for the first time. Later on, the economy grew rapidly to 8.3% per annum, particularly during 1991-1995, resulting in Thailand becoming a middle-income country. And during the period 1996-1997, a second economic crisis erupted with a severe economic recession, Thailand had to seek assistance from the IMF again in the form of US\$17.2 billion loans with a number of economic structural reform terms and conditions.

Since the 1997 economic crisis, the Thai economic growth contracted considerably, i.e. -1.7% in 1997 and -10.8% in 1998, but rapidly recovered to over 4% in 1999-2000 and slightly dropped in 2001, and rose to over 5% since 2002. As a result, the government could repay all the IMF loans on 31 July 2003, **two years before the repayment due dates**. And the Thai economy slowed down again during in 2005 and the third economic crisis occurred in 2008-2009; the severe recession resulted in the negative economic growth of -2.2% in 2009 (Figure 4.2) due to the global economic crisis, pandemic influenza A (H1N1) 2009, affecting tourism and spending, rising oil prices and unstable political situation of the country.

Economic Outlook for 2010

According to the forecast of the National Economic and Social Development Board (NESDB), the Thai economy will rise to 7.0% as a result of the global economic recovery, government's continuous economic stimulus measures and the rising confidence in the economic system. Overall, the inflation is expected to rise to 3.0%-3.5% with a current account surplus of US\$ 15.1 billion or 4.9% of GDP.

5. Thai Administrative System

Thailand is a democratic country, having the King as Head of State, a constitutional monarchy under the Constitution of the Kingdom of Thailand of B.E. 2550 (2007), promulgated on 24 August 2007, as the 18th constitution of the country.

The Constitution divides the sovereign power into three independent branches, namely, the Legislative, the Executive, and the Judiciary powers. Besides, under the constitution, there are seven independent constitutional organizations established for scrutinizing and counterbalancing such powers (Figure 2.3).

5.1 Central Administration

5.1.1 The King is the Head of State, exercising the legislative power through the National Assembly or parliament, the administrative or executive power through the Cabinet or Council of Ministers, and the judicial power through the Courts.

5.1.2 The Cabinet is the governmental body responsible for state administrative or governmental functions.

5.1.3 The central administrative system, according to the Reorganization of Ministries, Sub-Ministries and Departments Act of B.E. 2545 (2002), consists of 20 ministries as follows:

- | | |
|---|---|
| (1) Office of the Prime Minister | (2) Ministry of Defence |
| (3) Ministry of Finance | (4) Ministry of Foreign Affairs |
| (5) Ministry of Tourism and Sports | (6) Ministry of Social Development and Human Security |
| (7) Ministry of Agriculture and Cooperatives | (8) Ministry of Transport |
| (9) Ministry of Natural Resources and Environment | (10) Ministry of Information and Communication Technology |
| (11) Ministry of Energy | (12) Ministry of Commerce |
| (13) Ministry of Interior | (14) Ministry of Justice |
| (15) Ministry of Labour | (16) Ministry of Culture |
| (17) Ministry of Science and Technology | (18) Ministry of Education |
| (19) Ministry of Public Health | (20) Ministry of Industry |

Under all ministries, there are totally 154 departmental state agencies including 144 department, 2 non-departmental agencies headed by a director-general and eight departmental level state agencies, not being under the Prime Minister's Office or any ministry, namely, the Office of His Majesty's Principal Private Secretary, the Bureau of the Royal Household, the Office of National Buddhism, the Office of the Royal Development Projects Board, the Office of the National Research Council, the Royal Institute, the Royal Thai Police, the Anti-Money Laundering Office. Moreover, there are 58 state enterprises, 29 public organizations established under the Public Organization Act of B.E. 2542 (1999), and 15 agencies established by specific laws as agencies under the supervision of a minister (Figure 2.3)

5.2 Provincial Administration

The provincial administration means official functions of various ministries and departments as delegated to the regional or provincial level, **under the supervision of the provincial governor** with assigned officials from various central administrative agencies. Certain provincial administrative functions only are carried out by provincial level officials with delegations from the central administration. Such functions, however, are subject to scrutiny and revision by relevant central level agencies, i.e. the **permanent secretary and minister of each ministry, that have the final decision-making authority**.

According to the provincial administration law, the provincial administration consists of 75 provinces (changwat) and 878 districts (amphoe).

5.3 Local Administration

The local administration means autonomous administrative authority of the people in each administrative jurisdiction, under the law, with at least four characteristics as follows:

5.3.1 Being a juristic person.



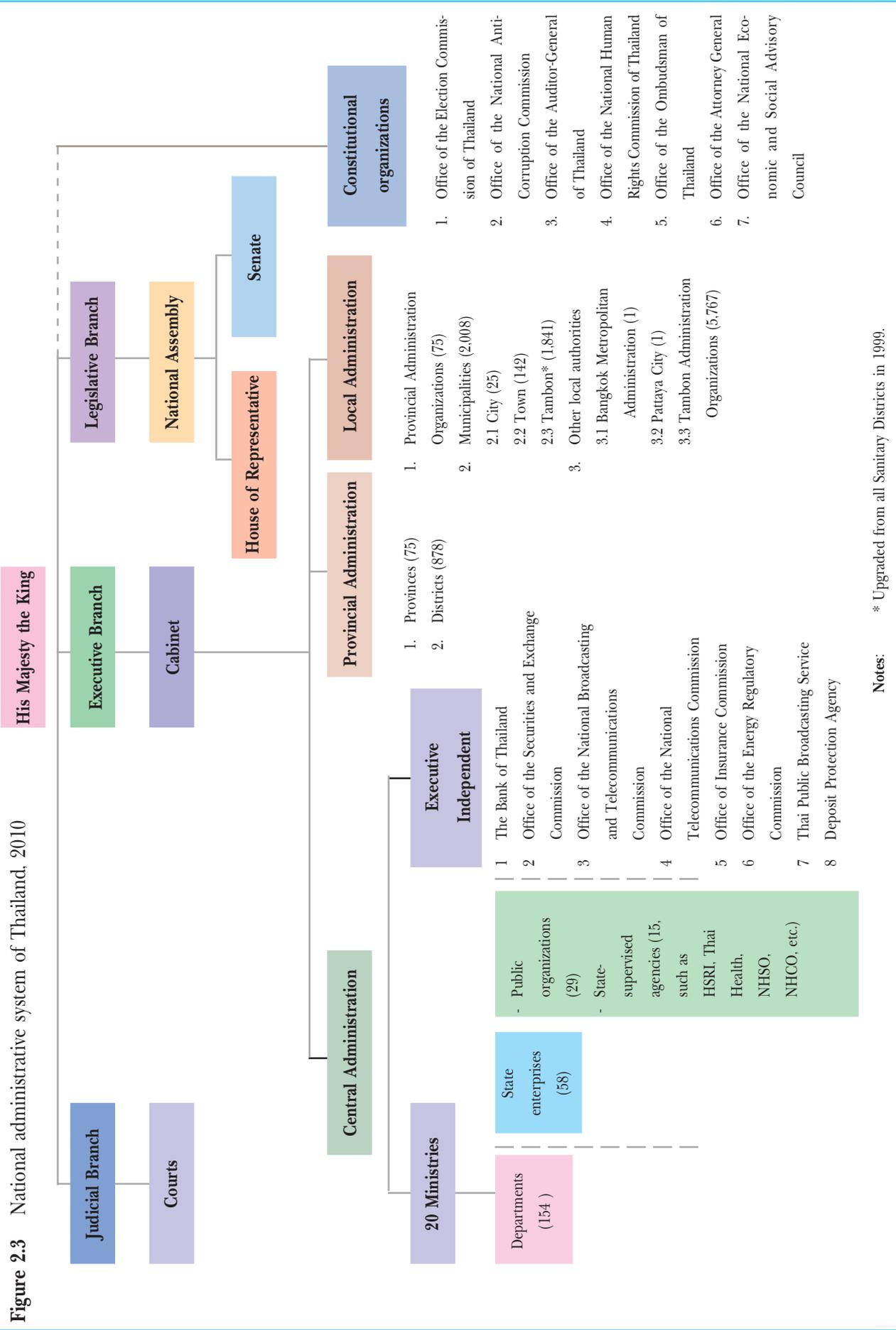
5.3.2 Having all or some local administrators or local council members elected by the people.

5.3.3 Having their own revenue and budget.

5.3.4 Having administrative autonomy under the laws.

In Thailand, there are four types of local administrative bodies, namely, Provincial Administration Organizations (75), Municipalities (2,008), and special types of local administration, i.e. Bangkok Metropolitan Administration (1), Pattaya City (1), and Tambon or Subdistrict Administration Organizations (5,767).

Figure 2.3 National administrative system of Thailand, 2010



Notes: * Upgraded from all Sanitary Districts in 1999.

