

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



Its shape is like a long-handled dipper made of coconut shell or an ancient axe, covering an area of about 514,000 square kilometres. It is the third largest country among the Southeast Asian nations, compared with 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 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 Cambodia.

In the West, the westernmost part is in Mae Sariang District of Mae Hong Son Province, bordered by 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, and the plains along the Mun and Chi rivers.

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 southwestern and southeastern 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 southwest monsoon season and dryness in the cold season covering most regions of the country, particularly the Central Region, the North and the Northeast.

Prevailing winds include the southwesterly monsoon from about mid-May through October and the northeasterly 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.

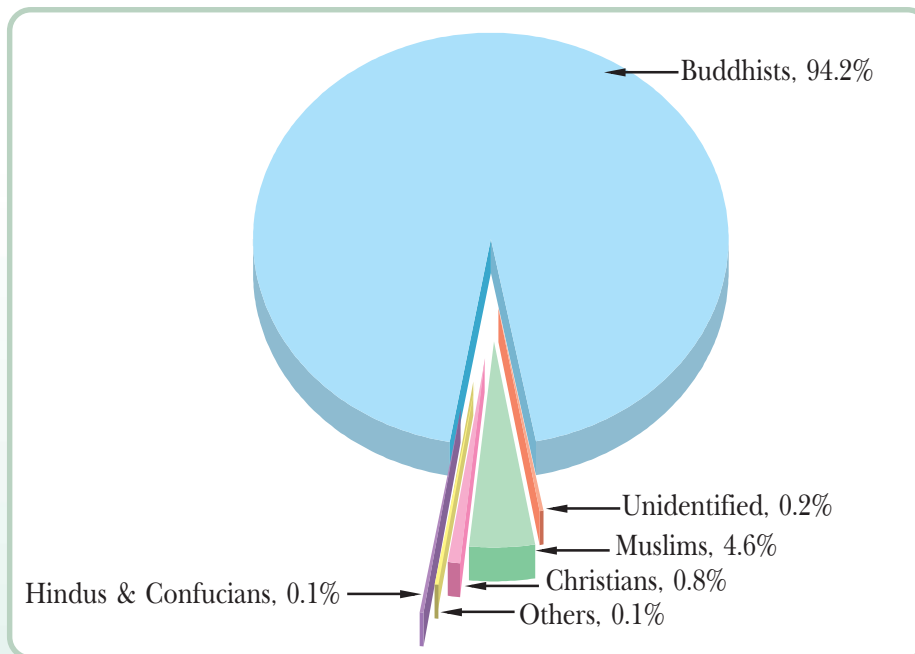
3. Population, Language and Religions

The population of Thailand is 63.08 million (2003); almost all residents (99.3%) 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 (94.2%), followed by Muslims (4.6%) and others (Figure 2.2).

Figure 2.2 Religions of Thai People



Source: Population and Housing Census 2000, National Statistical Office, 2002.

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 businesses 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 9th Plan (2002-2006). 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 past three decades, particularly during the period 1986-1990 with an average annual growth of 10.5% and during the period 1991-1995 of 8.3%. The growth had made Thailand become a middle-income country. Later on during the period 1996-1997, an economic crisis erupted, Thailand had to seek assistance from the International Monetary Fund (IMF) in the form of US\$17.2 billion loans with a number of economic structural reform terms and conditions.

During the economic crisis, the Thai economic growth contracted considerably, i.e. -1.7% in 1997 and -10.8% in 1998, but recovered to over 4% during 1999-2000 and slightly dropped to 2.1% in 2001, and most recently has been rising to over 5% since 2002. Such growth has been due to the expansion of domestic consumption, private sector investments, exports, and partly to the grassroots-level economic stimulus measures of the present government (Table 2.1). As a result, the government could repay all the IMF loans on 31 July 2003, **two years before the repayment due dates.**

Table 2.1 Economic Growth of Thailand, 1997-2004

| Year | Economic growth rate (%) |
|------|--------------------------|
| 1997 | - 1.7 |
| 1998 | - 10.8 |
| 1999 | 4.2 |
| 2000 | 4.6 |
| 2001 | 2.1 ^P |
| 2002 | 5.4 ^P |
| 2003 | 6.3 ^c |
| 2004 | 7.0 ^c |

Source: Thai Economy, Third Quarter, and Trends for 2003-2004, Office of the National Economic and Development Board.

Notes: ^P Preliminary figures

^c Estimated figure

Economic Trends for 2004

The National Economic and Social Development Board of Thailand has forecast that the Thai economy will continue to grow in 2004 as a result of the recovery of global economy, especially in Thailand's export markets such as the United States of America and Japan. The continuous implementation of the government's economic growth stimulus measures and low-interest financing schemes will result in the economic growth remaining high at the 7% level, the inflation rate rising to 2.4%, and a current account surplus of US\$ 8.7 billion or 5.3% of the gross domestic product (GDP).

5. Thai Administrative System

Thailand is a democratic country, having the King as Head of the State, a constitutional monarchy under the Constitution of the Kingdom of Thailand of B.E. 2540 (1997), promulgated on 11 October 1997. The Constitution is regarded as the first people's constitution of the nation.

The Constitution establishes three independent powers, namely, the Legislative, the Executive, and the Judiciary powers. Under the Constitution, a number of independent public agencies have been established for scrutinizing and counterbalancing such powers. Such agencies include, for example, the Office of the National Counter-Corruption Commission (NCCC), the Office of the Election Commission of Thailand (ECT), the Office of the National Human Rights Commission and the Constitutional Court.

On the Legislative side, under the Constitution the first nationwide senatorial election of 200 senators was held in 2000, and in early 2001 the first general election of the members of the House of Representatives (members of parliament or MPs) was held for 400 constituency MPs and 100 party-list MPs.

Thailand's administrative system, according to the Country's Administration Act, B.E. 2534 (1991), as amended No. 5 of B.E. 2545 (2002), comprises three major administrative categories as follows (Figure 2.3).

5.1 Central Administration

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

5.1.2 The Cabinet or Council of Ministers is the governmental body responsible for administrative or governmental functions, under the parliamentary system. According to the Constitution, the government requires a majority vote in the parliament and is checked including balanced by the National Assembly.

5.1.3 The central administrative system, according to the Reorganization of 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

In each ministry, there are some departments and non-departmental agencies, totaling 156 in all ministries. Agencies under the Ministry of Defence are under the restructuring process under the law relating to the administration of the Ministry of Defence, which has to be finished within two years, according to section 55 of the 2002 Ministries Reorganization Act. In addition, there are another nine 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, and the Office of the Attorney-General.

5.2 Provincial Administration

The provincial governmental functions mean 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 that have the final decision-making authority.

According to the provincial administration law, the provincial administration consists of 75 provinces (Changwat), 795 districts (Amphoe) and 81 subdistricts (King Amphoe).

5.3 Local Administration

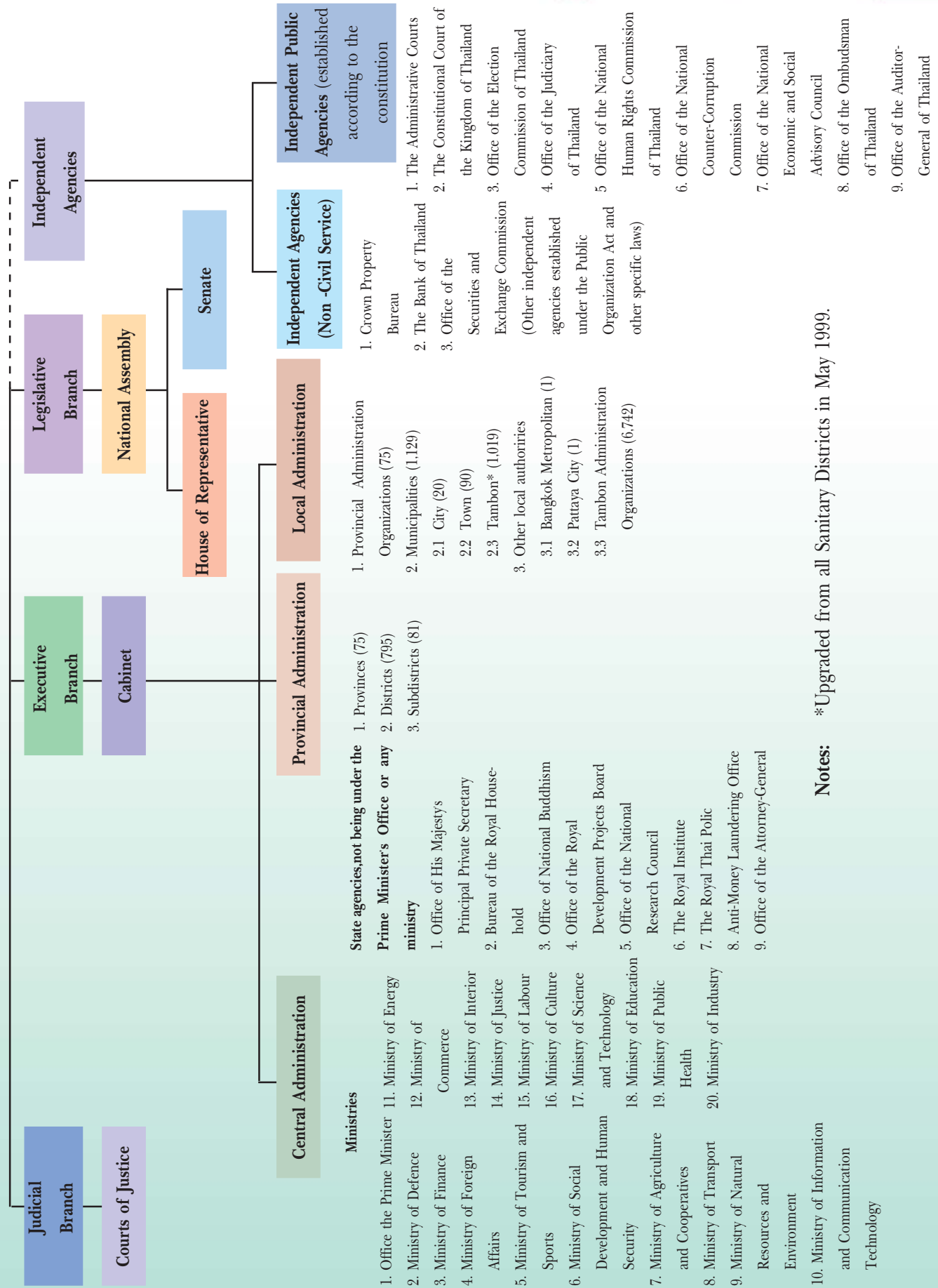
Local administration means autonomous administrative authority of the people in each administrative locality, under the law, with at least four characteristics as follows:

- 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 (1,129), and other types of local authorities as designated by law, i.e. Bangkok Metropolitan Administration (1), Pattaya City (1), and Tambon Administration Organizations (6,742; Tambon is a commune or a group of about ten villages).

Figure 2.3 National Administrative System of Thailand

His Majesty the King



Notes: *Upgraded from all Sanitary Districts in May 1999.

