



กรมส่งเสริมการค้าระหว่างประเทศ
DEPARTMENT OF INDUSTRIAL PROMOTION

Public-Private Partnership

And SME Network Promotion

Thailand's Experiences in BDS Market
Development

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Presentation Outline

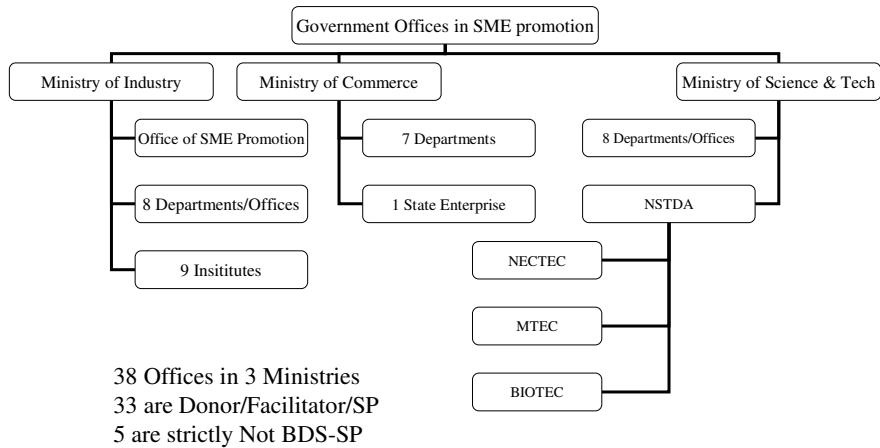
- BDS Landscape in Thailand
 - Government-Led Initiatives
- Public-Private Partnership
 - An Example in Service Providers Network



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BDS Institutional Landscape in Thailand



Recent Government-Led Initiatives (Ministry of Industry)

- *One-Tambol-One-Product (OTOP)*
- *New Entrepreneurs Creation (NEC)*
- *Invigorating Thai Business (ITB)*
- *Cluster Development*

Recent Government-Led Initiatives (Ministry of Industry)

■ *One-Tambol-One-Product (OTOP)*



- National Agenda: All ministries involvement
- Officially focused on Support , not Subsidy
- OTOP Product Standards and Rating Scheme by Government
- Product Development & Skill Training
- Promoting local resource and intellectual inputs
- Intellectual Properties registration encouraged

Recent Government-Led Initiatives (Ministry of Industry)

■ *One-Tambol-One-Product (OTOP)*



- OTOP-customized loans
- Lots of P/R activities: *TV, Radio, Exhibitions, E-commerce, etc.*
- 6 Focused sectors: *Food, Drink, Cloth & Fabric, Household & Decoration, Handycraft & Gift, Herb & Medicine*
- 37,754 registered OTOP entrepreneurs: 11,217 SMEs, 26,537 villager groups
- 2004 Sales expected at 1,000 million USD

Recent Government-Led Initiatives (Ministry of Industry)

- *New Entrepreneurs Creation (NEC) 2004-*
 - To create 50,000 new entrepreneurs in 18 months
 - Using national networks of Federations of Thai Industry and Chambers of Commerce throughout the kingdom
 - Creating new businesses through Embedded-Service and Business Linkages promotion
 - “*Big-Brother takes good care of you*”

Recent Government-Led Initiatives (Ministry of Industry)

- NEC : Samples of business opportunities Big Brothers create for Little Brothers?
 - Subcontracting: *Component Manufacturing, sub-assembly*
 - Services: *Design, Maintenance, Cleaning, Packaging, E-commerce*
 - Franchise: *Licensee*
 - Transportation, Logistics, Distribution

Recent Government-Led Initiatives (Ministry of Industry)

- NEC : How government promotes Embedded-Services
 - Training of SMEs: *Done by the Big Brothers as Embedded Services*
 - Business Management Skills: *Training by 3rd party with subsidy*
 - Business Plan Development: *Subsidized consultants*
 - Incentives: *Tax benefits, Loans, Venture capital*

Recent Government-Led Initiatives (Ministry of Industry)

- *Invigorating Thai Business (ITB) 2002-2004*
 - Subsidy for consultancy services for 2,600 SMEs
 - 50 million USD budget
 - SMEs paid 10-25 percents of actual cost (progressive rate with newcomers paying the lesser amount)
 - Working through a network of 7 sector institutes and the SME Bank

Recent Government-Led Initiatives (Ministry of Industry)

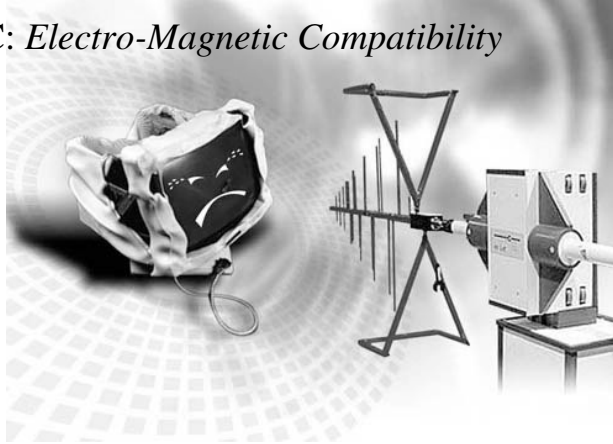
- *Cluster Development*
 - Facilitating self-development of Industrial Clusters
 - Government Spending: *CDA training, P/R, Group cohesion, Facilitation, M&E*
 - Average members: *50 per cluster*
 - Average spending: *50,000 USD per cluster*

Public-Private Partnership

- | | |
|--|---|
| <ul style="list-style-type: none">■ Private Interests<ul style="list-style-type: none">■ Market penetration■ Service coverage■ Service development■ Client satisfaction■ Cost reduction■ Response time■ Resource utilization■ HRD | <ul style="list-style-type: none">■ Public Interests<ul style="list-style-type: none">■ SME usage of state-of-the-art services■ SME demands are met■ Service availability & accessibility■ SME competitiveness |
|--|---|

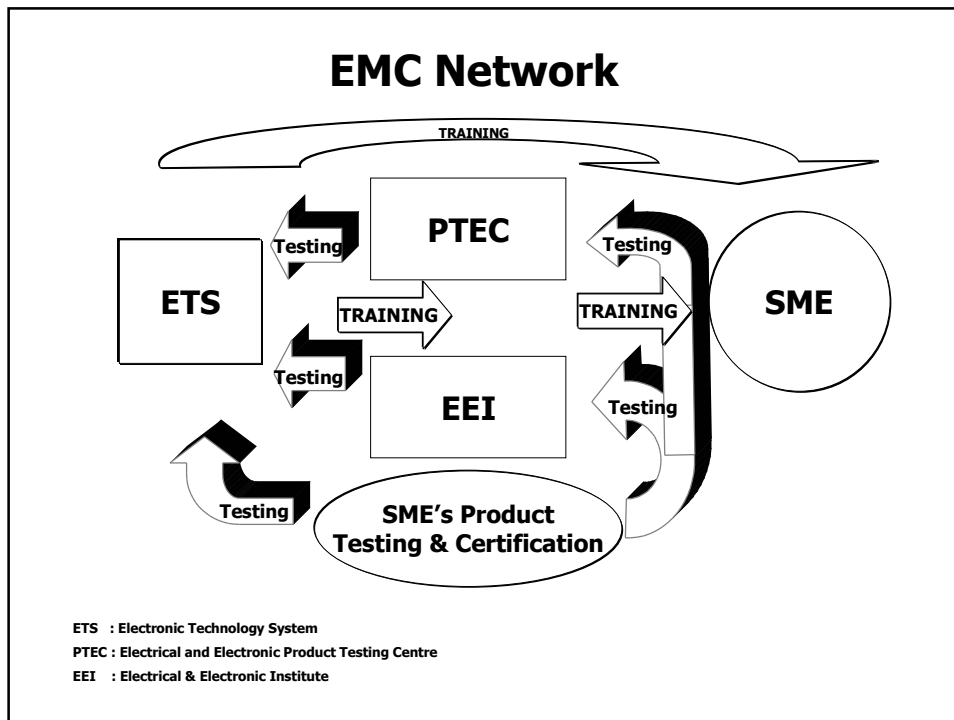
A Sample in Service Providers Network

- EMC: *Electro-Magnetic Compatibility*



A Sample in Service Providers Network

- EMC: *Electro-Magnetic Compatibility*
 - Highly technical field of knowledge with stringent standards
 - Export-bound products need to be EMC-certified
 - Market of EMC testing services were mostly in foreign hands
 - SMEs lack adequate EMC knowhow
 - National EMC labs needed to catch up
 - Foreign labs need cost-effective practice to serve locally



EMC-Net Activities

- Training of National Laboratories: *Testing Procedure*
- Training for SME: *Basic, Advanced EMC*
- Market Cooperation: *Market knowledge, Client referral*
- Facilities: *Equipment sharing, Calibration*
- Extension: *New services look-out beyond EMC*

Conclusions

- Thailand, *despite not swearing by BDS*, has utilized the market approach and is getting away from the conventional approach. As can be seen in sizable projects such as OTOP, NEC, Cluster. ITB, famous for a huge subsidy project, has adopted a sound guideline in using subsidy.
- There are always places for Market-Approach BDS, since the reach of conventional approach are often subject to budget constrains. Conventional BDSs are not effective covering high-end markets as well.
- Local input contents are essential for BDS success. Always observe an opportunity to integrate local resources and intelligence.

Contact & Links

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