

Introduction

Owing to the rapid economic growth and the progress towards industrialization during the latter half of the 1980's, the Thai economy is likely to be able to attain the status of a Newly Industrialized Economy in the near future. The objective of our study is to examine the Thai economy during this decade of change, with special emphasis on the manufacturing industry, in order to understand the real nature of the change. Our study, therefore, is composed of the following parts; structural change in the Thai economy and future prospects; foreign direct investment, which has had an enormous impact on this economic change; the structure of the automobile industry and the electric and electronics industry, which are important in analyzing the change in industrial structure; trade conflicts caused by the increase in industrial exports. In addition, issues regarding the policy-making process have also been included since Government policy is one of the most important factors in helping Thailand to develop into a newly industrialized country.

The first paper, by Dr. Teerana, analyzes the structural changes in the Thai economy, forecasts the economic outlook for the 1990's, and examines certain constraints, such as policy, bureaucracy, human resources and so on, to becoming a newly industrialized country. Certain courses of action are recommended, including the liberalization of import markets and reductions in investment privileges.

The second paper, by Mr. Yoshida, deals with foreign direct investment in Thailand. Trends and patterns of the recent investment boom are analyzed according to major countries investing in Thailand and the field in which they have invested. Also discussed are developments regarding adjustments to the country's investment promotion policy, to bring it into line with the large influx of foreign direct investment, and the controversy over the role of the Board of Investment.

The third paper, by Mr. Kovit, is a brief overview of the structure of the automobile industry, the auto-parts industry and regional cooperation schemes.

The fourth paper, by Dr. Rachain, surveys the contribution of the electronics industry to production, employment and exports, and the role of foreign investment. Policy issues, such as the impact of protective tariffs on the structure of the electronics industry and the policy of technological development are also examined.

The fifth paper, by Mr. Samart, examines trade conflicts with Western countries, especially the United States. The backgrounds of each particular industry are reviewed together with an analysis of the protectionist moves by countries importing Thai products and their impact on local industries in Thailand. Policies are recommended to improve the country's capabilities in the export markets.

The sixth paper, by Dr. Somboon, deals with the public policy-making process. The political, historical and cultural factors are considered and the influence of the political parties and middle classes investigated. Attention is paid to the following two special decision-making organizations: the Council of Economic Ministers and the Joint Public and Private Consultative Committee under the Prem Government.

Finally, we would like to express our sincere thanks to the persons who cooperated in the conducting of our study.

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Editors