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> " The economic crisis leading to the devaluation of the baht has made imports relatively expensive. Now the Thai companies are forced to rely more on innovation and they realize that IT is key to doing that."
> —*Thai business analyst*

> " IT solutions often cost more than hiring people to do manual work; therefore, it is only in limited cases that an IT investment is profitable. And the advanced services of the multinational IT companies are too expensive."
> —*Company executive, Thailand*

The government and ICT sector of Thailand are moving aggressively to claim their nation's place in the Networked World. Although the Asian financial crisis hurt the nation's economy badly, Thailand has proved its resilience by gradually reestablishing a competitive edge in global ICT markets. In this effort, the productive and efficient use of ICTs has been made a top national priority (Ranking in ICT as Government Priority: 41). The overarching ICT goals of the government, as embodied in the National IT-2000 Plan, are to build an equitable national infrastructure, improve provision of services through ICT, enhance education with the use of ICT, and forge a globally competitive software industry. Thailand ranks forty-third in the Networked Readiness Index.

Thai information infrastructure build-out was quite rapid until mid-1997, when foreign investors in the telecommunications sector suffered major losses after the *baht* was floated. Many telephone users unsubscribed in the wake of the economic slowdown. Even today, almost 2 million telephone lines remain unused.[1] The booming demand for mobile telephones and the Internet is beginning to revive the telecommunications sector, but regulatory issues still impede ICT growth. The dominance of the two state-run telecommunications providers and the lack of an independent regulator (Ranking in Effect of Telecommunications Competition: 43) keep telecommunications costs in Thailand significantly above those in many neighboring countries. However, hope abounds that the current government, many of whose officials hail from the Networked Economy and have a business stake in the ICT sector, will hasten reforms in the telecommunications industry.

In the recovery from the collapse of the financial sector in 1997, many banks embraced ICT to remain competitive and efficient. Internet banking is becoming increasingly common. Several B2B e-commerce marketplaces have emerged in sectors such as food, oil, textiles and automobiles. The government has been increasing the number of services available online—from issuing ID cards to filing tax returns (Ranking in Online Government Services: 50). But lack of PC penetration, low income levels, and high telecommunications fees, particularly for Internet access, limit Internet access to a small segment of the population located primarily in Bangkok.

Investing in People is one of the top national agendas of the government's IT-2000 Plan. Several "school informatization" programs have been initiated by many organizations, including the Ministry of Education. The SchoolNet project had connected about 3,838 schools to the Internet as of November 2001[2] (Ranking in Internet Access in Schools: 33). Members of SchoolNet are concentrated in Bangkok and spread sparsely throughout the rest of the country.

In Thailand, a high level of optimism surrounds the software industry, which is widely regarded as a "sunrise" sector and believed to have the potential to bring in large amounts of foreign exchange. Relying on low labor costs and favorable government support, the industry has made some initial strides in software export, but the amount is still small by international standards. Substantial challenges exist, such as lack of copyright enforcement, high costs of Internet access, lack of ICT-skilled workforce (Ranking in IT Brain Drain: 33), and too few financing options.

Key Facts

Population	60,600,000
Rural population (% of total population) 1999	78.72 %
GDP per capita (PPP)	US$6,469
Global Competitiveness Index Ranking, 2001–2002	33
UNDP Human Development Index Ranking, 2001 (adjusted to GITR sample)	49
Main telephone lines per 100 inhabitants	8.66
Telephone faults per 100 main telephone lines	17.76
Internet hosts per 10,000 inhabitants	10.47
Personal computers per 100 inhabitants	2.43
Piracy rate	79.00 %
Percent of PCs connected to Internet	4.31 %
Internet users per host	18.91
Internet users per 100 inhabitants	1.98
Cell phone subscribers per 100 inhabitants	5.04
Average monthly cost for 20 hours of Internet access	US$6.52

RANK

Networked Readiness Index	**43**
Network Use component index	**54**
Enabling Factors component index	**40**
■ **Network Access**	**52**
Information Infrastructure	37
Hardware, Software, and Support	67
■ **Network Policy**	**42**
Business and Economic Environment	39
ICT Policy	45
■ **Networked Society**	**36**
Networked Learning	34
ICT Opportunities	27
Social Capital	46
■ **Networked Economy**	**36**
e-Commerce	40
e-Government	41
General Infrastructure	27