

Innovation, education key to competing

Corruption fight also crucial, expert says

SIRIPORN SACHAMUNEEWONGSE

Fostering business innovation and education while clamping down on corruption is crucial to keeping Thailand competitive in the future, says Philippe Gugler, director of the Centre for Competitiveness at the University of Fribourg, Switzerland.

Mr Gugler was recently in Bangkok because the centre is collaborating with NIDA Business School.

He said competitiveness is based on productivity and focuses on the microeconomic foundations of competitive advantage in nations, regions and clusters.

Thailand ranked 38th out of 140 countries in the World Economic Forum's 2018 Global Competitiveness Report (GCR) and third in Asean, behind Singapore and Malaysia.

"In terms of the three main pillars of economic development, such as competitive product market, financial market efficiency and labour market efficiency, the strengths in Thailand are financial market [ranked 14th] and labour market [44th]. Product market was ranked 92nd," Mr Gugler said.

He said Thailand benefits from a strong economic situation.



Mr Gugler says Thailand benefits from a strong economic situation.

"GDP per capita has continuously increased over the past five decades," Mr Gugler said. "Despite international crises, that growth has never diminished. Thailand also offers a dynamic business environment, and according to the World Bank's ease of doing business index, Thailand ranks 26th. Even Switzerland [33rd] lags behind Thailand."

He said Thailand offers a stable macroeconomic and efficient financial system that allows firms to benefit from venture capital, domestic credit and financing opportunities for SMEs.

"Important market size offers important opportunities for firms to invest and develop products and services in the country, thanks to the

potential economies of scale that may be achieved in large markets," Mr Gugler said. "The dynamism of firms helps foster economic activities within the country."

He reiterated that enhancing competitiveness and business innovation is crucial for economies' competitiveness.

Another way to improve the economy is clamping down on corruption, Mr Gugler said.

"Efforts to reduce corruption [Thailand ranked 80th in incidence of corruption in the GCR 2018] and to strengthen intellectual property rights [99th in the GCR] could foster innovation, efficiency and the productivity of firms," he said.

"Of course, we cannot neglect education at all levels. The contribution of the labour force to the productivity of the country relies first on primary education, the quality of which should be high and consistent throughout the country. Business activities need efficient workers at all levels of skills, starting with low-skilled employees all the way up to high-skilled employees."

Based on his experience in education, entrepreneurs and startups create a lot of innovation and government policies that encourage entrepreneurs and startups are a mechanism for innovation.

In the digital economy, technology and training users for technology is advised, he said.