

## Implementation of Thai Export Promotion Policies and Japanese Cooperation: A Summary of Major Findings

*Thavanrat Vorathepputipong\**

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This study overviewed the major Thai government agencies engaged in formulation and implementation of industrial products export promotion policies. There were at least 5 major government units engaged in export promotion policy making and 13 public units participating in the policy implementation process.

It assessed the implementation of export promotion policy, mainly of agro-based industries, by evaluating the capacity of certain policy implementing agencies as case examples, particularly, the Ministries of Industry, Commerce, and Finance.

In so doing, the study indentified six major factors influencing policy effectiveness: policy direction, political commitment, capability of implementing agencies, active participation of potential beneficiaries, coordination among implementing agencies, and external factors.

In addition, it also explored possible areas of Japanese cooperation in Thailand's industrial products export promotion.

If Thailand is to attain its goals in the implementation of industrial products export promotion policies, particularly for agro-industries, improvement of the major factors influencing policy effectiveness and other export facilities is extremely important and urgently needed. These factors are briefly discussed as follows:

1. Policy direction. Policy direction and goals for industrial products export promotion have to be clearly stated in measurable terms. This serves as an important and useful guideline, not only for implementing agencies to implement policies, but also for more meaningful policy evaluation.

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\* Associate Professor and Vice President for Administration, National Institute of Development Administration.

2. Political commitment. Political commitment in terms of policy commitment by the government is another major factor contributing to policy effectiveness. Continuity in policy commitment is equally important. One way to assure policy commitment and continuity is to include it as part of the National Development Plan. This has already been done in the Sixth National Economic and Social Development Plan.

3. Capability of implementing agencies. Capability of implementing agencies can be upgraded by improvement in major factors affecting the implementing agencies' capacity: personnel, budget, equipment and other facilities, and technology. Development of existing staff members to enhance their effective performance and recruitment of more competent ones, with the use of a more attractive incentive system to retain them with the agencies, is an important method of solving the quantitative and qualitative shortage of personnel of most implementing units. Increasing the budget of implementing organizations, to enable them to implement export promotion policies more effectively, is another approach to solving the budget inadequacy problem. Equipment, other facilities, and technology for export promotion can be improved by increasing such resources quantitatively and qualitatively.

4. Active participation of potential beneficiaries can be enhanced, to involve certain export investors in cooperation with the implementing agencies, by inviting them to participate in the policy-making and/or policy-implementation process. For example, some interested and qualified export investors may be invited by the Ministry of Industry to participate in setting export products standards, which will be used by investors in producing export products. This kind of participation would satisfy the investors' psychological needs - an increase in the sense of belonging and sense of importance - which would enhance the exporters' willingness to participate in the project.<sup>1</sup>

5. Coordination among implementing agencies. Measures to enhance effective coordination among implementing units should be undertaken. The relative success of the case of the National Rural Development Committee (NRDC) in reducing the lack of coordination among government organizations, both at policy-making and policy-implementation levels,<sup>2</sup> should be seriously studied and taken into account.

Moreover, to promote closer coordination between the Ministries of Industry (production promotion) and Commerce (marketing promotion) it is highly recommended that

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\* For further information, see Thavan Voratheputipong, Thommanoon Pongsrikul, and Minoree Ouchi, *Administration of Thai Export Promotion Policies and Japan's Cooperation* (Tokyo: Institute of Developing Economics, 1989), pp. 1-121.

the two Ministries should be merged into one Ministry, which may be called the "Ministry of Commerce and Industry," similar to the MITI of Japan.<sup>3</sup>

6. External factors. Naturally, external factors may be extremely difficult to control, but it is not impossible to reduce them. The United States' protectionism, for instance, which impedes Thailand's export promotion policies, may be eased by various means such as by employing bilateral trade negotiations, or by penetrating new markets in other potential importing nations.

Apart from the six major factors mentioned above, port facilities are considered to be another key variable affecting the effective implementation of export promotion policies. Construction of Laem Chabang Deep Sea Port in Rayong should be speeded up in order to ease the existing heavy congestion of the Bangkok port.<sup>4</sup> Moreover, the two newly completed deep sea ports in Songkhla and Phuket should be open and fully utilized as soon as possible to facilitate export promotion in the South.

In brief, with a clearer statement of policy direction and goals and policy commitment by the Thai Government, combined with Japan's active cooperation in certain possible areas discussed earlier, the success of Thailand's implementation of its agroindustry export promotion policies is likely to be seen in the near future.

#### Notes

1. See Gary Dessler, *Organization and Management* (Englewood Cliffs, NJ: Prentice-Hall, Inc., 1976), pp. 208-209.
2. For further information, see Thavan Vorethepputipong, *Decentralization for Rural Development in Thailand: Country Report*. A research report presented at the APDG/KAF Project Review Meeting on "Decentralization for Rural Development", September 29 - October 3, 1986, Kuala Lumpur, Malaysia, pp. 1-72.
3. For further information see Ministry of International Trade and Industry, *MITI Handbook* (Tokyo: Pan Trade and Industry Publicity, Ltd., 1988).
4. See *The Nation Mid-Year Review*. Publication of the Nation, June 1988, pp. 48-49.

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