



# The 10<sup>th</sup> National Economic and Social Development Plan and Creative Economy

Mr. Arkhom Termpittayapaisith

Deputy Secretary General,  
Office of the National Economic and Social Development Board  
Presented at NECTEC Annual Conference & Exhibition 2008  
September, 24, 2008

# Agenda

1. Emergence of Creative Economy
2. The 10th National Plan and Government Policy
3. The Creative Economy in Thailand
4. Development of Creative Economy in Thailand
5. Proposed Strategy, Critical Issues and Next Steps

# Definition: Emergence of the creative economy

## Creative economy

- ❑ No unique definition, but it is being shaped.
- ❑ The term “creative economy” appeared in John Howkins’s book (2001) about the creative economy: How people make money from ideas.
- ❑ UNCTAD (2008) defined the creative economy as “An evolving concept based on creative assets potentially generating economic growth and development.

Source: UNCTAD (2008), *Creative Economy Report*

## Creative economy/industries

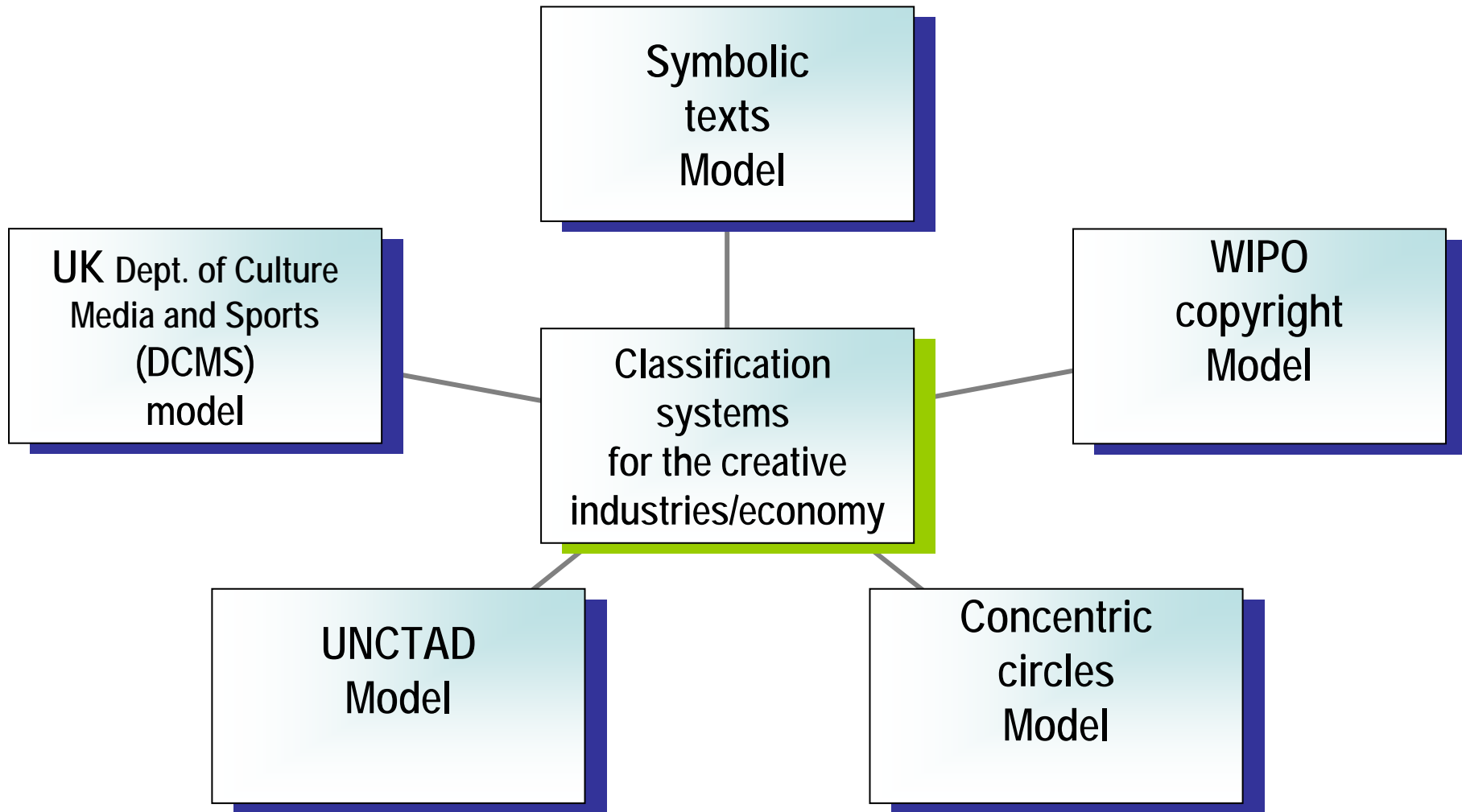
Industries that include the *cultural industries* plus all cultural or artistic production, whether live or produced as an individual unit.

The creative industries are those in which the product or service contains a substantial element of artistic or creative endeavor.

Source: World Intellectual Property Organization, WIPO (2003), *Guide on Surveying the Economic Contribution of the Copyright –Based Industries*

Note: WIPO’s view focuses solely on economic activities that give rise to ‘*intellectual property rights*’

# Existing Classification Systems for the Creative Economy

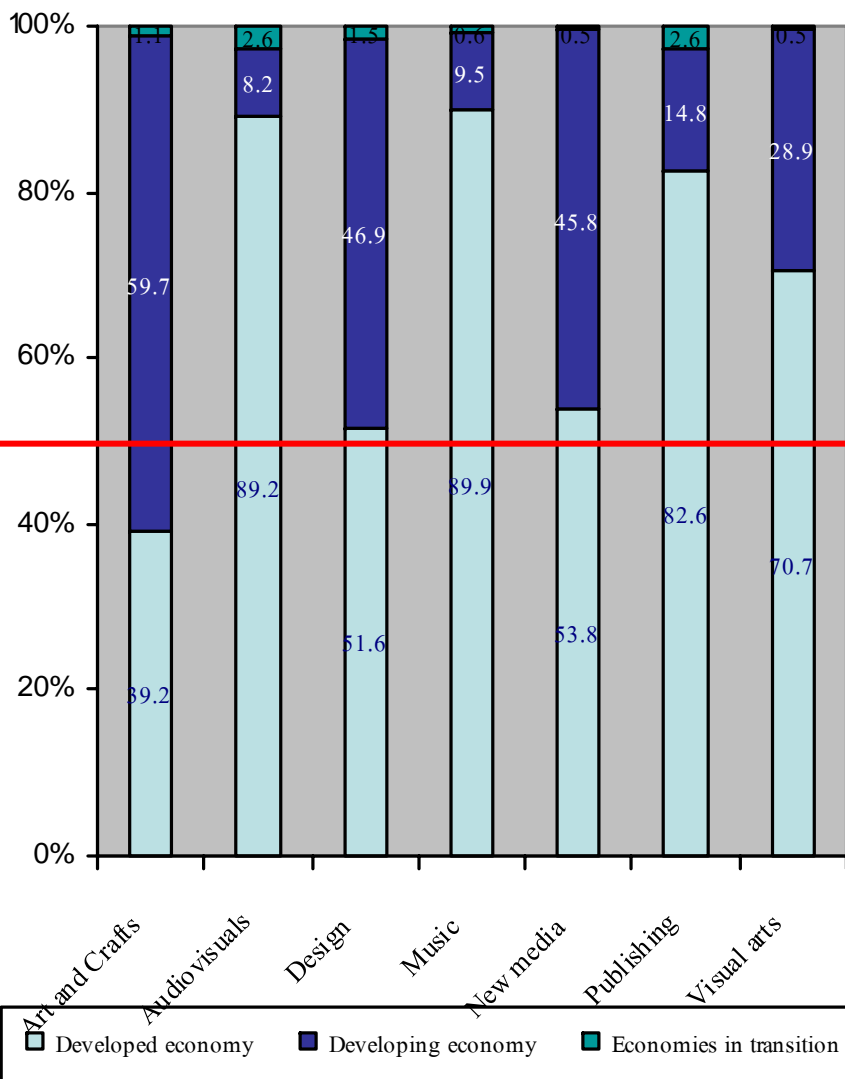


# Details of the 5 Classification Systems

UK DCMS model	Symbolic texts Model	Concentric circles Model	WIPO copyright Model	UNCTAD Model
1. Advertising	<b>Core Cultural Industries</b>	<b>Core Creative Arts</b>	<b>Core Copyright Industries</b>	<b>Heritage or Cultural Heritage</b>
2. Architecture	1. Advertising	1. literature	1. Advertising	1. Cultural sites
3. Art and antique market	2. Film	2. Music	2. Collection Societies	2. Traditional cultural Expression
4. Crafts	3. Internet	3. Performing Arts	3. Film and Video	<b>Art</b>
5. Fashion	4. Music	4. Visual Arts	4. Music	3. Visual arts
6. Design	5. Publishing	<b>Other Core Cultural Industries</b>	5. Performing Arts	4. Performing arts
7. Film and Video	6. Television and Video	5. Film	6. Publishing	<b>Media</b>
8. Music	<b>Peripheral Cultural Industries</b>	6. Museums and Libraries	7. Software	5. Publishing and Printed media
9. Performing Arts	7. Creative Arts	<b>Wilder Cultural Industries</b>	8. Television and Radio	<b>Functional Creation</b>
10. Publishing	<b>Borderline Cultural Industries</b>	7. Heritage Services	9. Visual and Graphic Art	7. Design
11. Software	8. Consumer Electronics	8. Publishing	<b>Interdependent Copyright Industries</b>	8. New media
12. Television and Radio	9. Fashion	9. Sound Recording	10. Blank Recording material	9. Creative services
13. Video and Computer Games	10. Software	10. Television and Radio	11. Consumer Electronics	
	11. Sport	11. Video and Computer Games	12. Musical Instruments	
		<b>Related Industries</b>	13. Paper	
		12. Advertising	14. Photocopiers, Photographic equipment	
		13. Architecture	<b>Partial Copyright Industries</b>	
		14. Design	15. Architecture	
		15. Fashion	16. Clothing, Footwear	
			17. Design	
			18. Fashion	
			19. Household Goods	
			20. Toys	

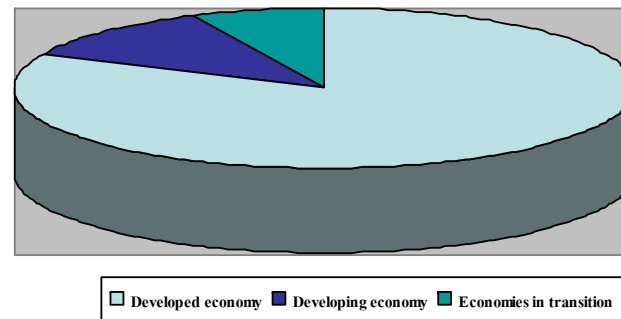
# World's Creative Economy

Developed countries have dominated export flows, especially the flows of services



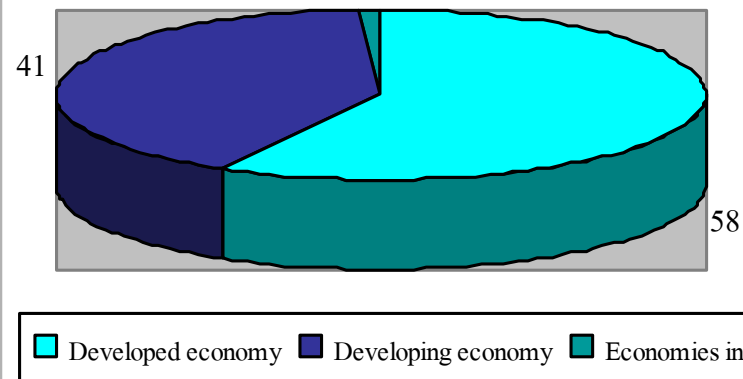
Export of Creative Services USD 89 billion, in 2005

Creative Industries: Export of creative service by economic group, 2005



Export of Creative Goods USD 336 billion, in 2005

Creative Industries: Export of creative goods by economic group, 2005



# Agenda

1. Emergence of Creative Economy
2. The 10th National Plan and Government Policy
3. The Creative Economy in Thailand
4. Development of Creative Economy in Thailand
5. Proposed Strategy, Critical Issues and Next Steps

# The 10<sup>th</sup> National Economic and Social Development Plan

Review the past to shape the future

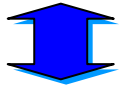
## Goal and Position of Thailand

“Green and Happiness Society”

Key Driven Strategies

### Current Situation

- Society
- Community
- Economy
- Natural Resources and Environment
- Good Governance



### Analyzing 5 Contexts of Development



### Development Strategies

1. Improving Human quality
2. Strengthening Community & Society
3. **Restructuring the economy**
4. Conserving NR as based on Bio-diversity
5. Establishing Good Governance

### Key Driven Mechanism

- Knowledge-based Learning
- Moral / Ethical
- Public / Private Collaborations

### Development Stakeholders

- Public
- Private
- Local Community
- Politics
- Press



# Strategy on Economic Restructuring in the 10<sup>th</sup> Plan

Elements of Creativity are shown in part in 'Real-sector restructuring'

## Economic restructuring:

To a More Balanced and sustained economy

Equality & fairness

Fair Competition

Infrastructure

Strong financial

Institutions

Income Distributed

### Real-sector restructuring

Agricultural

Manufacturing

Services

#### Supporting Factors

- Knowledge
- Infrastructure & Logistics
- International Trade Policy

Immunity

Economic Stability

Savings

-Energy Efficiency

# Measures for Economic Restructuring: Some Elements Related to “Creativity”

## ▪ Restructuring in Agriculture

- Support R&D in agricultural products to be “kitchen of the world”
- Promote value creation of non-food products in order to expand international market
- Utilize “local wisdom” and “Thainess” as to generate “value creation” in products
- Develop agricultural institutions, community plan, and community enterprises
- Promote agricultural sustainability
- **Create brands** and use marketing strategy to increase sales
- Enhance **productivity** and efficient use of water resources and land management.

## ▪ Restructuring in Manufacturing

- Support investment in “potential & new wave industries”
- Set up a road map for “patent management”
- Set up integrated the national R&D system to create innovation
- Use cluster as a key-driven means through “Specialized Institutions”
- **Build and/or Support entrepreneurs to create innovation**
- **HRD as a key to success**
- Employ cluster development particularly in potential industry

# Measures for Economic Restructuring: Some Elements Related to Creativity

## ■ **Restructuring in Services Sector:**

- Preserve and rehabilitate tourist attraction destinations
- Promote investment in tourism related business
- **Improve quality and standards of potential services business**
- **Undertake market research to capture changing demand of customers**
- Improve enabling factors/infrastructure in service sector
- Extend links of public & private co-operations to local community level.

## ■ **Developing Enabling Factors:**

### **Knowledge management**

- **HRD in S&T** both quantity and quality
- **Develop knowledge and technology**
- **Promote R&D and innovation for commercialization**
- **Develop adequate infrastructure for S&T, R&D and innovation**

### **Infrastructure/services in logistics**

- Develop sufficient infrastructure in transportation and logistics management including telecommunication

# Government Policy Statement Related to Creativity

## ■ **Education Policy:**

- Raise the quality of education in both formal and informal educational systems
- Support production and development of workforce that is responsive to the structural changes in the manufacturing and services sectors
- **Expand the role of CREATIVE learning through organizations such as OKMD, a modern library system, or knowledge parks, the National Discovery Museum Institute, TCDC...**

## ■ **Policy on Arts and Culture**

- Revitalize and ensure the preservation and passing on of the diverse Thai culture and arts for learning and benefiting from value creation
- Expand cultural learning and recreational spaces for Thai youth

## ■ **Policy for Industrial and Services Sectors:**

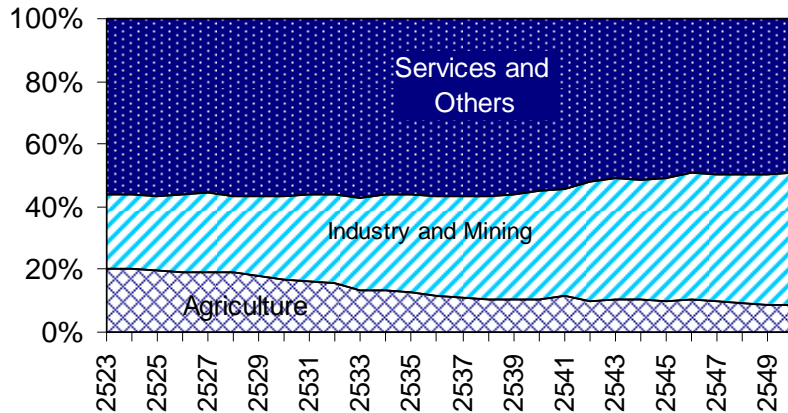
- **Improve the efficiency and productivity** by creation value of industrial products
- **Create products of high value and standards** by utilizing of modern technology and building brand recognition
- **Accelerate revenue generation from tourism** by improving tourism quality and standard; and establishing new tourist destinations in areas with potential arisen from nature, arts and culture
- **Develop service business** with potential to create opportunities for expanding the manufacturing base in the region (i.e. healthcare, movie, sports and recreation)

# Agenda

1. Emergence of Creative Economy
2. The 10th National Plan and Government Policy
3. The Creative Economy in Thailand
4. Development of Creative Economy in Thailand
5. Proposed Strategy, Critical Issues and Next Steps

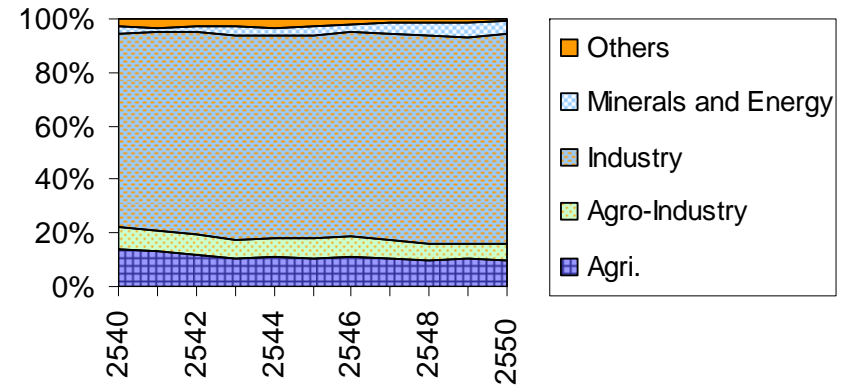
# Overall Thai Economy

## GDP at Constant Price



Source: NESDB

## Export (Mil. Baht)



Exports	'03	'04	'05	'06	'07	growth
1. Computer and parts	10.2	9.5	10.7	11.5	11.3	5.4
2. Auto and parts	5.0	5.7	7.0	7.3	7.9	14.6
3. IC circuit	5.8	5.7	5.4	5.4	5.3	3.9
4. Rubber products	3.5	3.5	3.3	4.2	3.7	-5.4
5. Jewelry and precious items	3.1	2.7	2.9	2.8	3.5	32.4
6. Plastic resin	2.7	3.2	3.8	3.5	3.4	4.8
7. Steel and iron products	2.1	2.6	2.6	2.7	3.0	18.3
8. Machinery and parts	1.6	1.7	1.9	2.0	2.9	48.6
9. Petroleum	1.3	1.8	2.1	2.8	2.7	1.4
10. Chemical products	2.0	2.1	2.4	2.6	2.6	3.6

- ❑ Sector share in GDP (Real term, 2007) is 9:41:50 (Agriculture :Industry: Services), it is noted that during 1980-2007 services share in GDP has gradually increased.
- ❑ Top 10 **exports** from Thailand are mainly **conventional commodities**.

# Proposed Classification System for Creative Economy in Thailand

## Cultural Heritage

- Crafts
- Historical & Cultural Tourism



## Arts

- Performing Arts



## Media

- Film
- Publishing
- Broadcasting
- Music



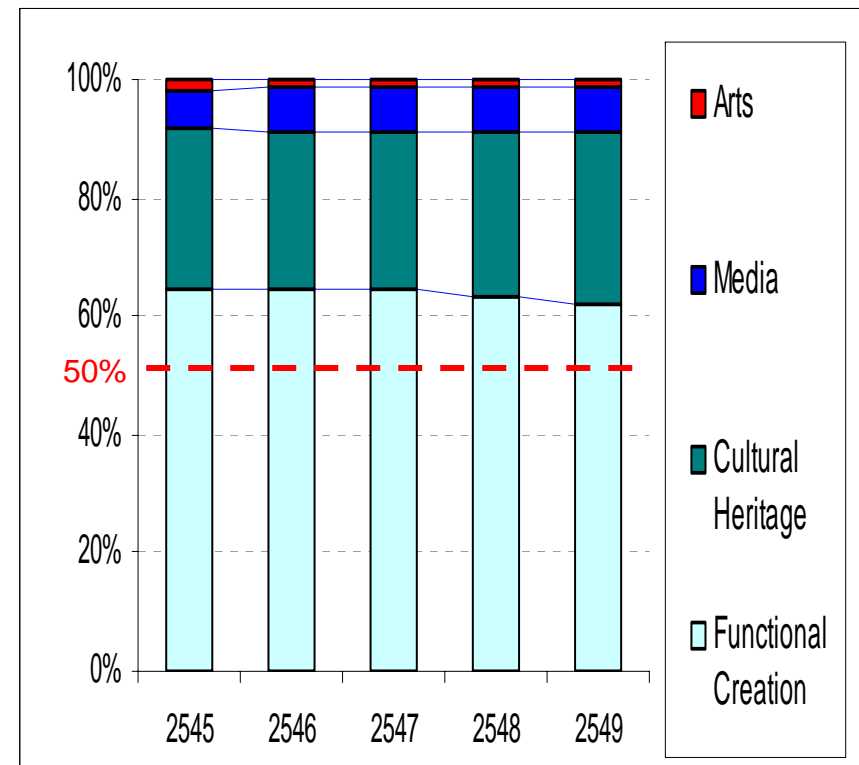
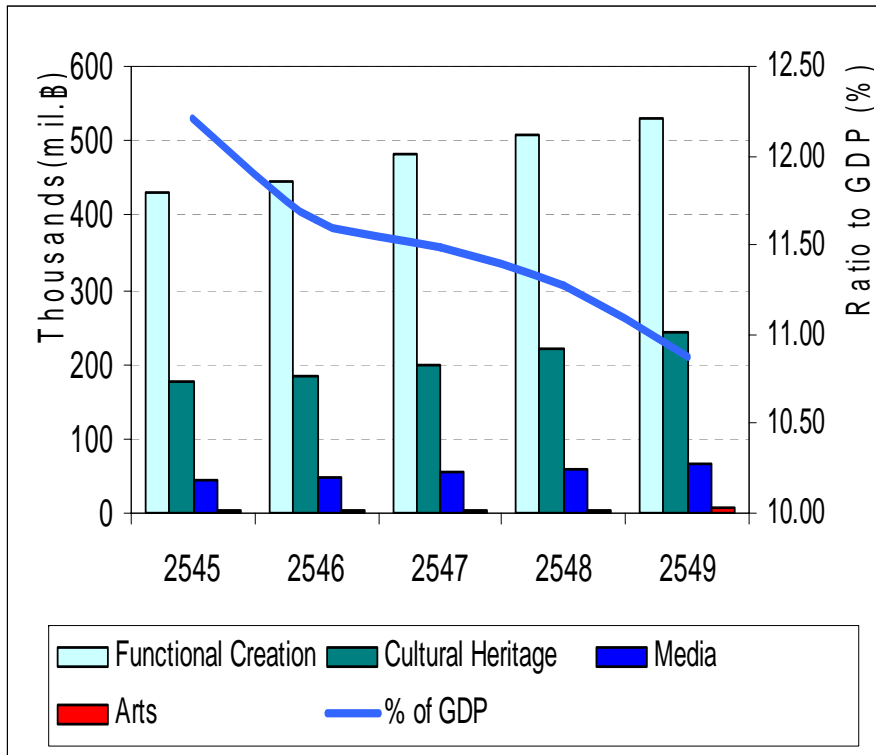
## Functional Creation

- Design
- Fashion
- Architecture
- Advertising
- Software



# Thailand's Creative Economy

- The statistics preliminarily show a part of Thailand's creative economy.
- A proposed classification system for the 'Creative industry/services' is preliminary & debatable.

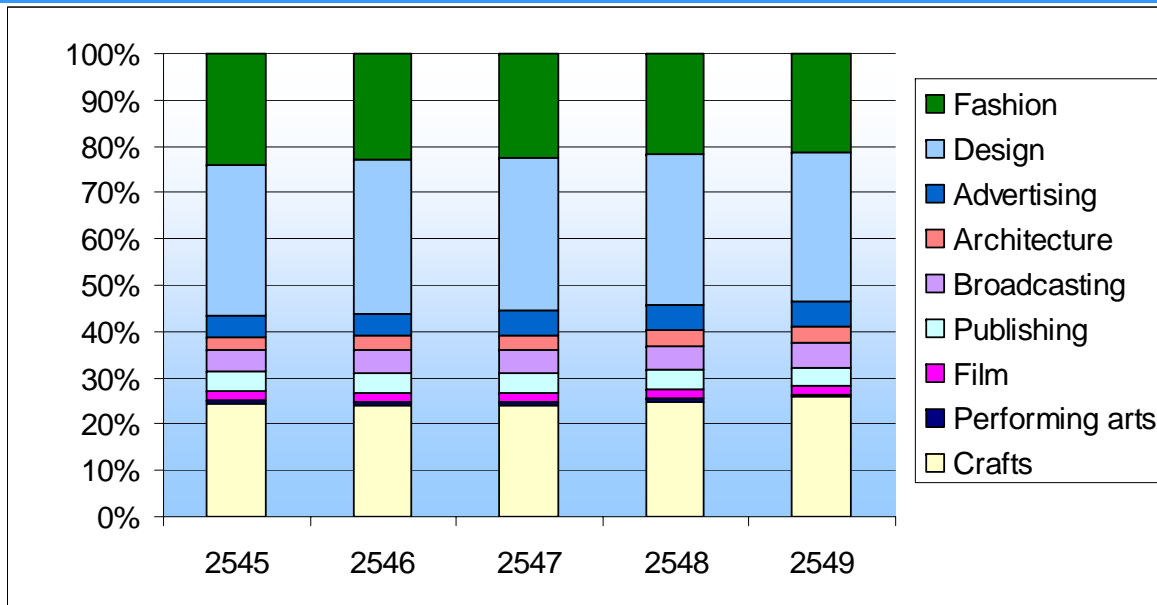


Note: Based on the proposed classification model for Thai creative economy

	2002	2003	2004	2005	2006
(Unit : Million Baht ) Sum of 4 selected creative goods/services	654,780	678,837	736,038	789,089	840,621



# Thailand's Creative Economy



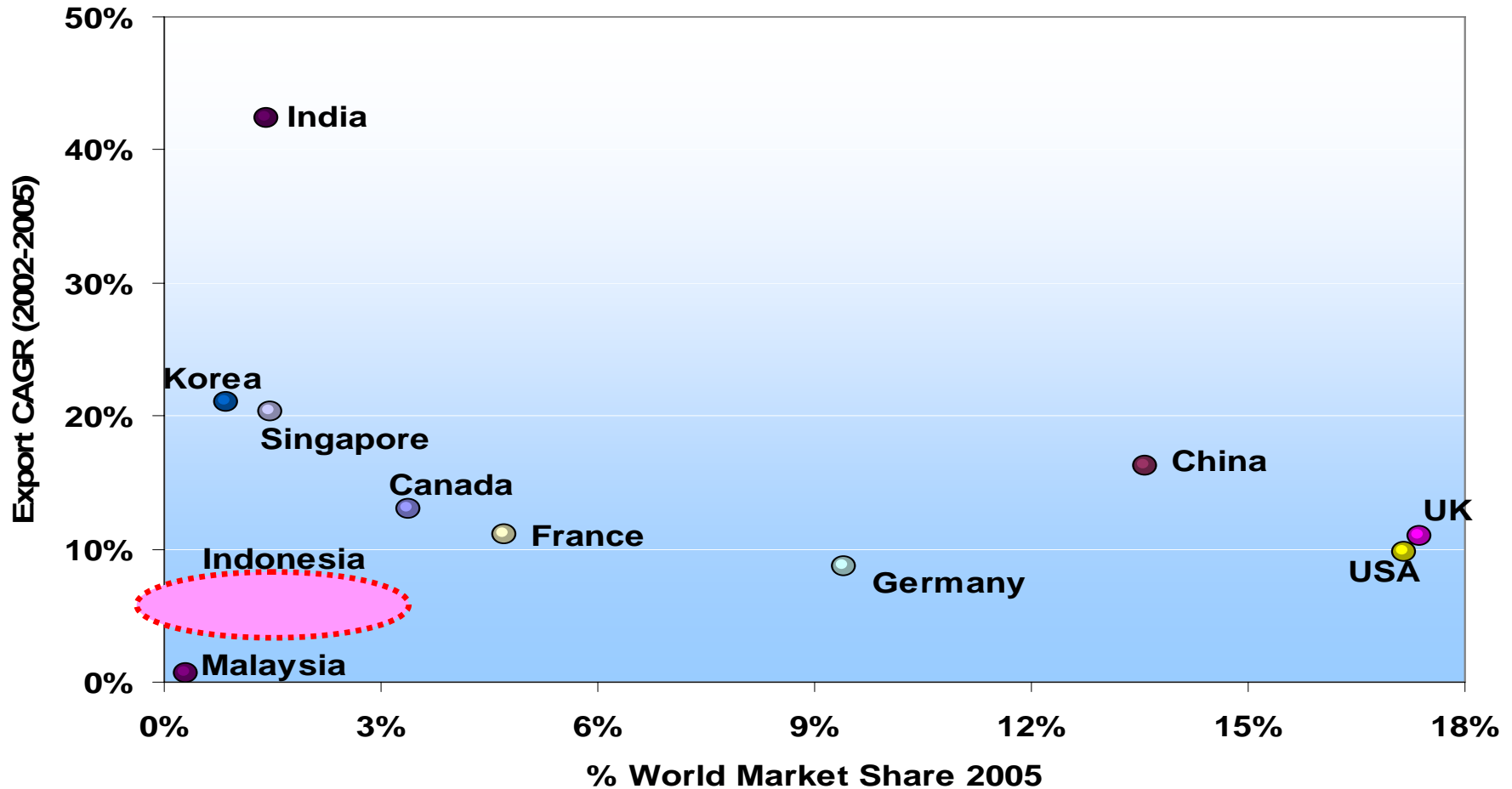
Unit: Million Baht

Main group	Sub-group	2545	2546	2547	2548	2549
Cultural Heritage	Crafts	178,479	182,777	199,824	222,273	244,225
Arts	Performing arts	5,470	5,060	4,540	5,220	5,530
	Film	13,040	16,300	18,000	18,570	15,470
Media	Publishing	32,157	33,039	35,067	36,315	36,534
	Broadcasting	32,900	36,637	41,384	45,992	52,882
	Architecture	21,300	23,332	26,528	31,412	34,360
Functional Creation	Advertising	32,988	37,449	43,167	46,575	49,302
	Design	238,830	253,025	273,526	289,726	304,990
	Fashion	175,680	174,933	186,340	193,236	199,222

Source: National Accounts Office, NESDB 2008

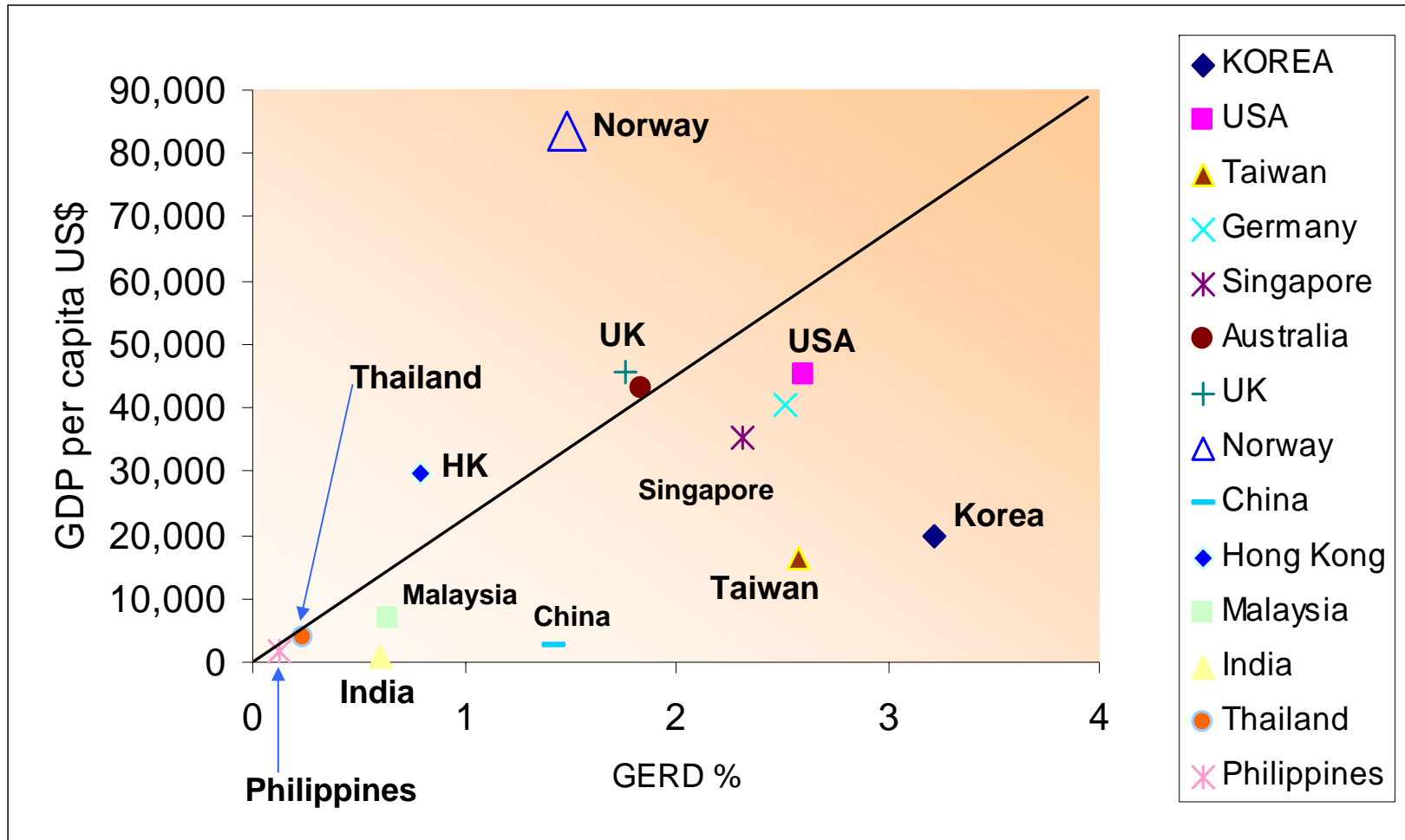
Thailand is rich in culture, however Thailand's competitiveness in export of cultural goods is relatively low.

### Thailand Competitiveness- Export of Cultural Goods\*



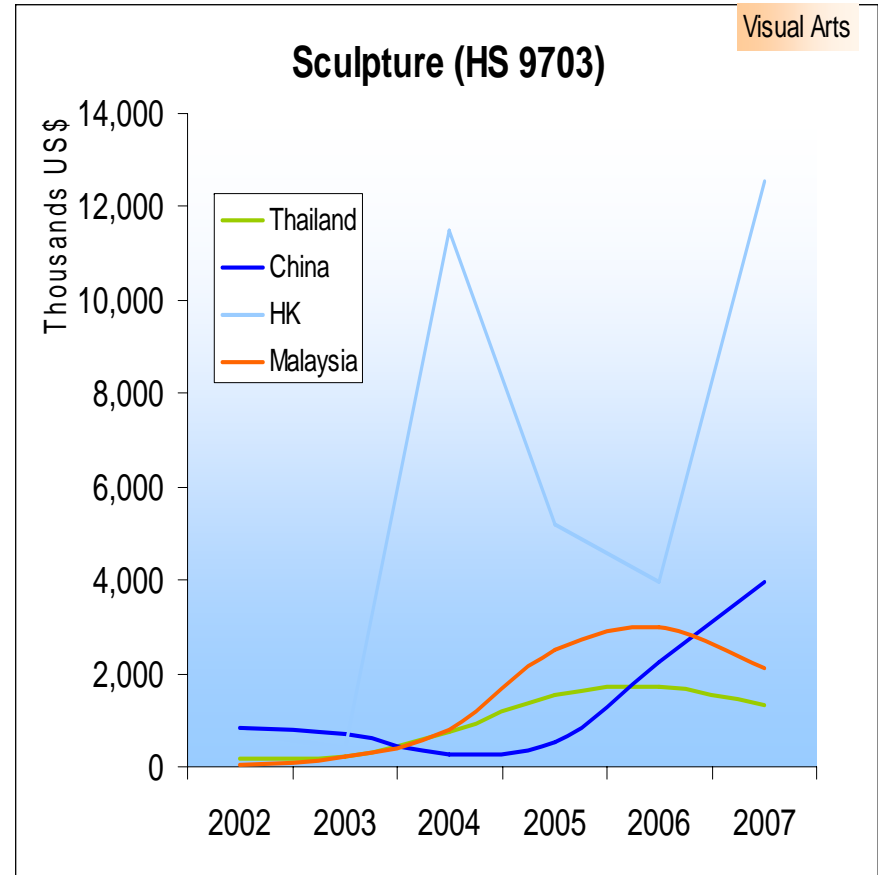
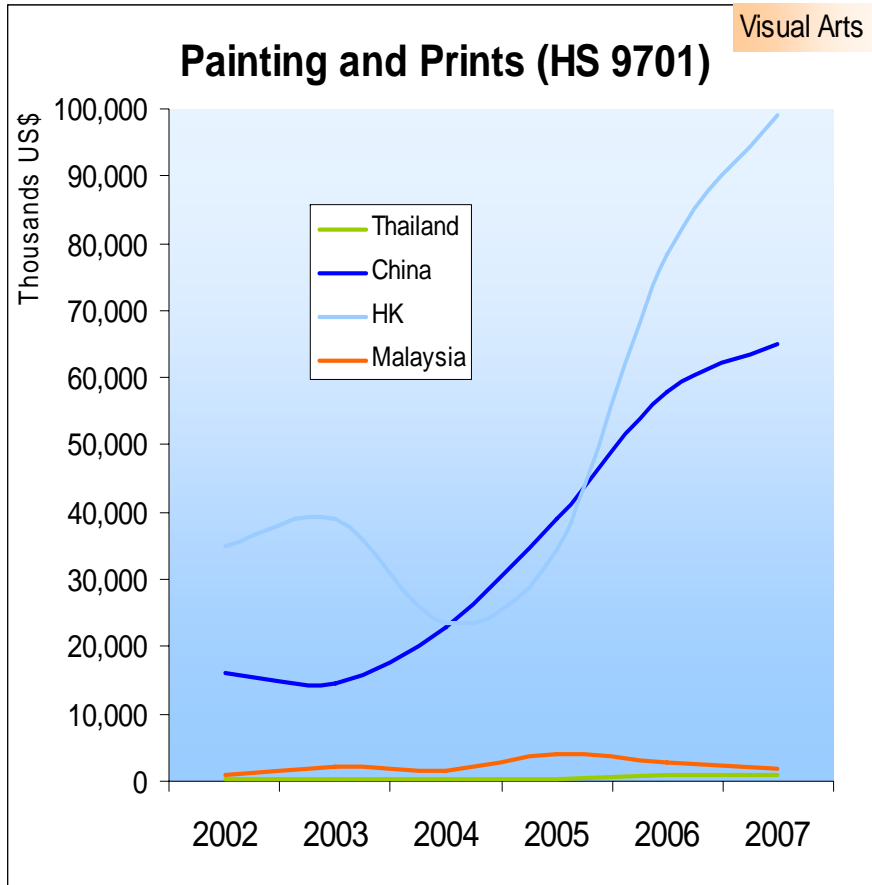
UNESCO Institute for Statistics, Cultural Goods include Heritage goods, Books, Newspapers and periodicals, Other printed matter, Recorded media, Visual arts, Audiovisual media, Equipment material and Other related cultural goods.

# R&D Expenditure and GDP per capita



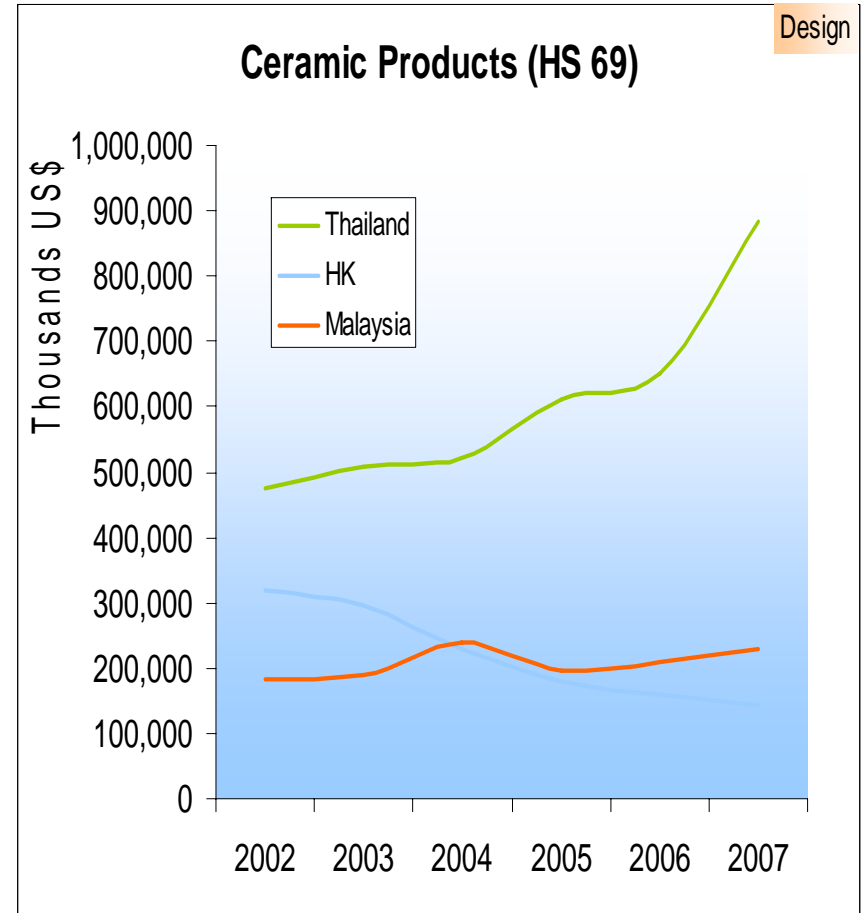
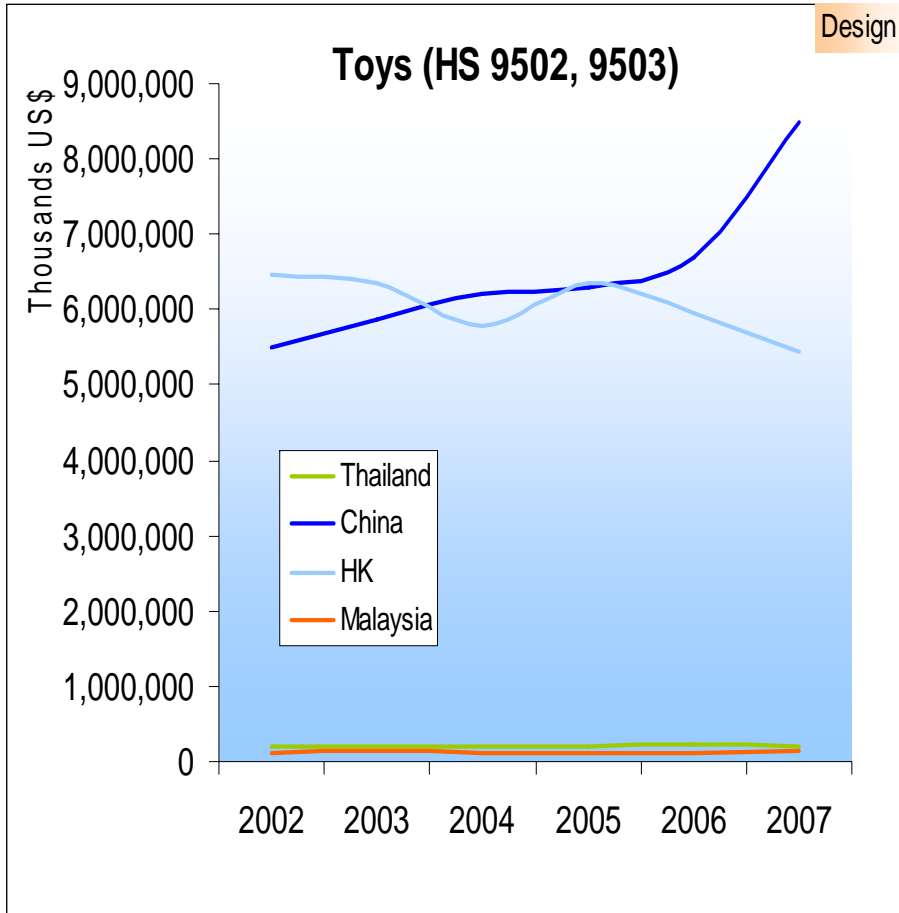
Source: IMD 2008

# Thailand and Other Countries: Exports of Painting/Prints and Sculpture

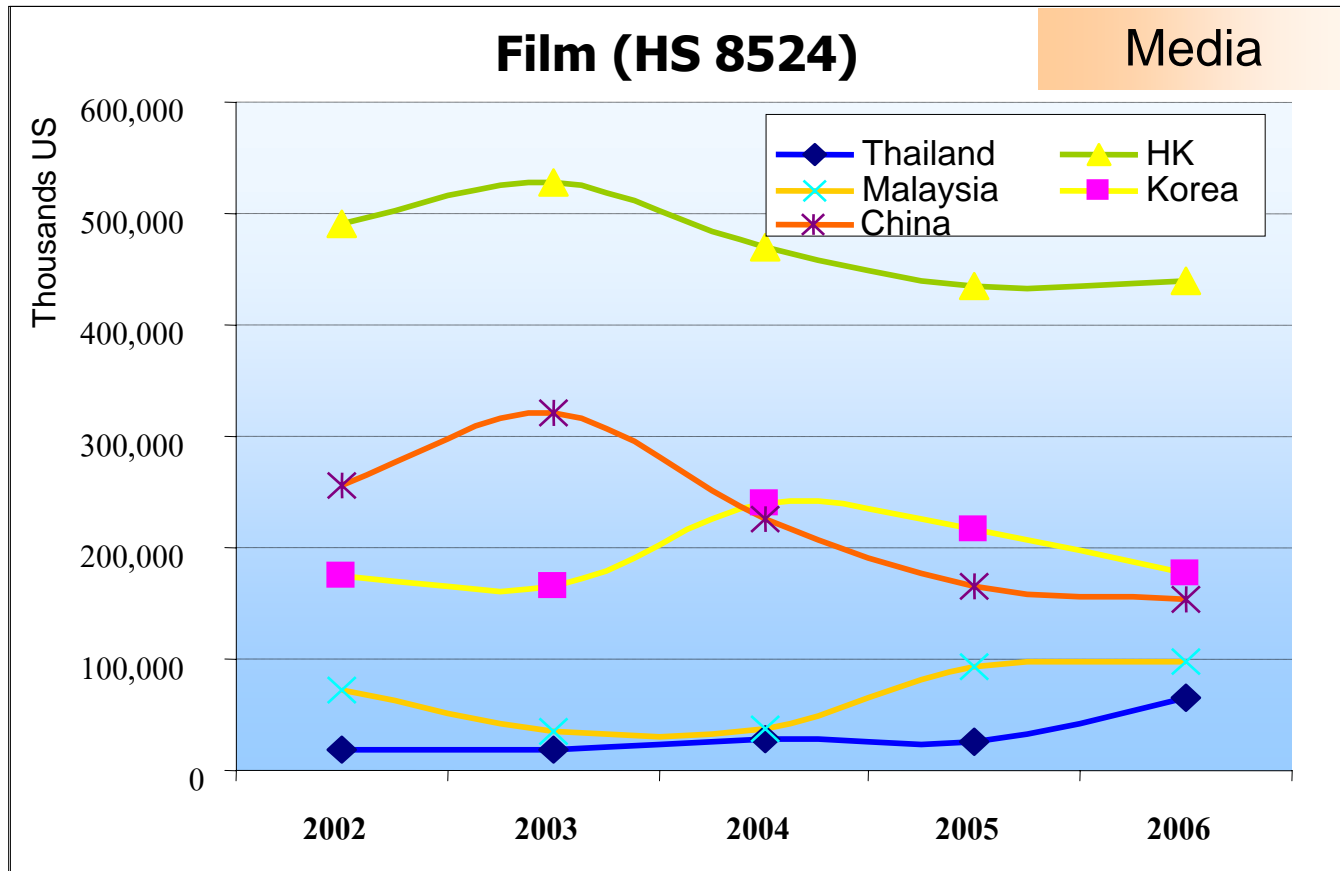


Source: UN Comtrade 2008

# Thailand and Other Countries: Exports of Toys and Ceramic Products



# Thailand and Other Countries: Exports of Audiovisual products (HS8524)



Source: UN Comtrade 2008

# Audiovisual: Film and Television

In 2549, Thai Film shared market value of approximately 17,880 million baht

Unit: million baht

Activity	2547	2548	2549
Pre-production	88	74	88
production	880	740	880
Post-production	132	111	132
Marketing	3,780	4,634	4,360
Distribution	4,500	4,644	4,520
VDO, VCD, DVD	15,100	11,840	7,900
<b>Total</b>	<b>24,480</b>	<b>22,043</b>	<b>17,880</b>

Source: The Federation of National Film Association of Thailand (FNFAT)

In 2549, Thai Television shared market value of approximately 10,000 million baht

Unit: million baht

TV Production	2547	2548*	2549*
<b>Media of media</b>	<b>1,300</b>	<b>1,500</b>	<b>1,700</b>
<b>BEC tero</b>	<b>1,100</b>	<b>1,300</b>	<b>1,500</b>
<b>Kuntana Group</b>	<b>1,000</b>	<b>1,200</b>	<b>1,400</b>
<b>Workpoint</b>	<b>740</b>	<b>920</b>	<b>1,200</b>
<b>Grammy television</b>	<b>510</b>	<b>650</b>	<b>785</b>
<b>Machting Studio</b>	<b>498</b>	<b>600</b>	<b>750</b>
<b>Other</b>	<b>1,452</b>	<b>2,330</b>	<b>2,665</b>
<b>Total</b>	<b>6,600</b>	<b>8,500</b>	<b>10,000</b>

Remark \* = Forecasted by Krung Thai Bank

# Audiovisual: Music, Multimedia and Publishing/Printed

In 2549, Music shared market value of approximately 7,300 million bath

Unit: million baht

Company	2547	2548*	2549*
GMM Grammy	3,200	3,600	4,000
RS Promotion	1,400	1,600	1,700
Other	1,400	1,500	1,600
Total	6,000	6,700	7,300

Remark \* = Forecasted by Krung Thai Bank

Exports of Thai multimedia rapidly grew from 1.7 bil.baht (2547) to 5.1 bil.baht (2549)

Unit: million baht

	2547	2548	2549
Export value	1,767	3,500	5,190

Source: Software Industry Promotion Agency

In 2549, Exports of Publishing and Printed were 3,938 million bath

Unit: million baht

	2547	2548	2549
Export value	2,586	4,552	3,938

Source: Department of Trade Negotiation



# Selected Thai Creative Industry: Characteristic & Opportunity

## Cultural tourism

### Strength

- ❑ 3 UNESCO's world cultural heritages (อุทยานประวัติศาสตร์อยุธยา, สุโขทัย-ศรีสัชนาลัย-กำแพงเพชร, และบ้านเชียง)
- ❑ Cultural Diversity
- ❑ Low cost of services

### Existing problems

- ❑ Lack of staff (for maintenance and information)
- ❑ Lack of facilities ( clean toilet, etc.)
- ❑ Some tourist sites are promoted without sufficient potential and uniqueness

# Selected Thai Creative Industry: Characteristic & Opportunity

## Design goods

### Strength

- ❑ Masterpiece handicraft with story to tell
- ❑ Processed with unique methods
- ❑ Widely supported by government programme

### Existing problems

- ❑ Non-systematic collection of local wisdom
- ❑ Technique and knowledge transfer is time consuming and complicated
- ❑ Duplication of design and brand
- ❑ Lack of financial and marketing management

# Selected Thai Creative Industry: Characteristic & Opportunity

## Film

### Strength

- ❑ Location advantages (climate, scenery)
- ❑ Quality works and personnel
- ❑ Widely supported by government programme (SIPA, BOI)
- ❑ Specialized in Comedy and Horror

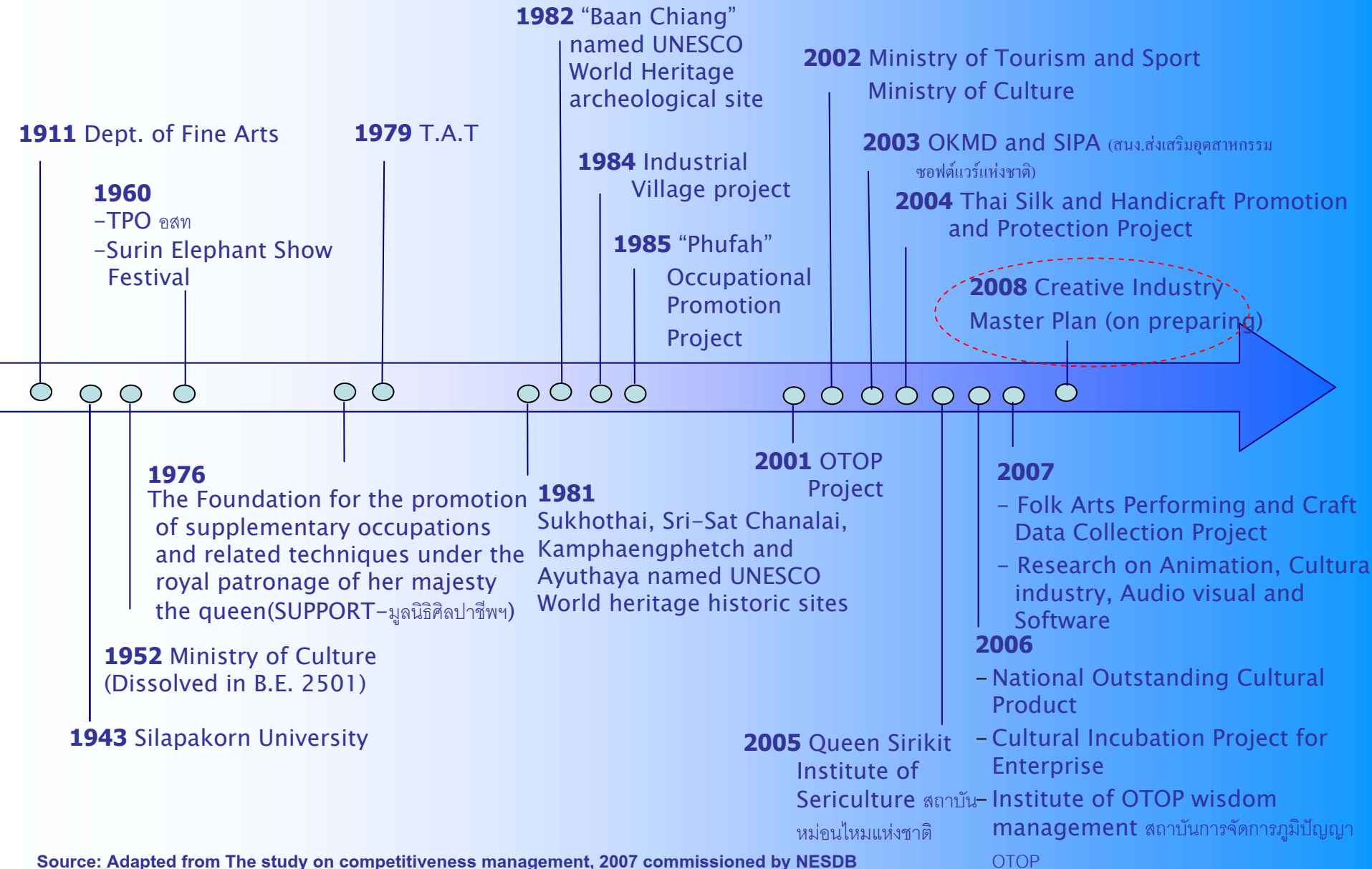
### Existing problems

- ❑ Violation of IPRs
- ❑ Lack of creativity and diversity: mostly made to meet trends and popularity
- ❑ Lack of personnel at all level
- ❑ Lack of appropriate R&D and knowledge collection

# Agenda

1. Emergence of Creative Economy
2. The 10th National Plan and Government Policy
3. The Creative Economy in Thailand
4. Development of Creative Economy in Thailand
5. Proposed Strategy, Critical Issues and Next Steps

# Development Path Towards Creative Economy: Still at an Initial Stage



Source: Adapted from The study on competitiveness management, 2007 commissioned by NESDB

- ❑ Digital Content by Software Industry Promotion Agency สนง.ส่งเสริมอุตสาหกรรมซอฟต์แวร์แห่งชาติ SIPA (2007)
- ❑ Cultural Industry by NESDB & CMU (2007)
- ❑ Audio Visual by MOC, 2008 (work in progress)

# Development Strategy for Digital Content Industry

- ❑ **Objective:** Targeting value of Thai digital content worth up to 30,000 mil. Baht by 2010, and positioning as “Digital content and multimedia education hub in Asia Pacific”
  
- ❑ **Proposed Measures:**
  - Financial support on production and exhibition participation
  - Non-financial support on marketing and trade negotiation
  - Making use of the Northern Animation Studio in Chiang Mai and the Bangkok Digital Content Center in Bangkok
  - Continue the Thailand Animation & Multimedia Award (TAM award)
  - Continue the Thailand Animation Film Festival (TAFF)

# TCDC's Creativity Promotion

- ❑ Permanent Exhibitions
- ❑ Temporary Exhibitions

One of Asia's largest design libraries

- ❑ **Material Connexion**<sup>®</sup> Bangkok

Asia's first innovative design materials libraries

- ❑ **Mini TCDC** (regional)

A learning center for regional creativity (8 provinces)

e.g. Building Thailand's Economy with Creativity

(29 - 30 May 2008)

NESDB-TCDC Joint Creative Industry Master Plan Proposal  
(on preparing)





# Overseas Practices: Prospective Development Strategy for Thailand

- ❑ Established financial supporting agency: Korea Culture and Arts Foundation
- ❑ Local community to participate in promotion program, financially supported by central government
- ❑ Launched "Five Year Plan for New Korea Culture"

- ❑ Specialize in Film and Design
- ❑ One-stop complex to support Film and Design such as HKDC (Hong Kong Design Centre and Cyber Port)

# Overseas Practices: Prospective Development Strategy for Thailand

- ❑ Self reliance of local community under OVOP (one village one product) principles:
  1. Think Globally, Act Locally
  2. Self reliance and creativity
  3. HR development
- ❑ Consistent plan and promotion since 1961
- ❑ Local cluster development
- ❑ New generation leader training
- ❑ Marketing by central government

- ❑ Started from “cultural advantages” to “contemporary creativity”
- ❑ Took 150 years to be a creative consumption society
- ❑ Took 10 years to develop creative entrepreneur to be able to respond to creative consumer
- ❑ Creative Economy Mapping by 3 parties (Government, Local community and Entrepreneur)

# Overseas Practices: Prospective Development Strategy for Thailand

- ❑ Turning from “Information Economy” to “Creative Economy”
- ❑ Established “Mediapolis@one-north”, a creative industry complex
- ❑ Created value from 0.8 billion US in 1986 to 4.8 billion US in 2000
- ❑ Created employment from 30,700 persons in 1986 to 72,200 persons in 2000
- ❑ Targets for 2012
  1. Double GDP contribution of creative cluster from 3% in 2000 to 6% by 2012
  2. New Asia Creative Hub:
    - A Renaissance city (Arts and Culture)
    - A Global Cultural and Business Hub for the Design (Design)
    - A Global Media City (Media)

- ❑ Principle legal to protect cultural heritage
- ❑ Zoning to separate old town from modern town
- ❑ Established design complex in Beijing and Shanghai
- ❑ Host to one of the world fashion exhibitions: China Fashion & Design Expo

# Agenda

1. Emergence of Creative Economy
2. The 10th National Plan and Government Policy
3. The Creative Economy in Thailand
4. Development of Creative Economy in Thailand
5. Proposed Strategy, Critical Issues and Next Steps

# Proposed Thailand's Strategic Mapping for Creative Industry

Uniqueness	High	<b>Build</b> Promote domestic market - Exhibition - Cultural tourism	<b>Cultivate</b> Promote exports - Thai Food - Decoration - Thai Silk - Spa	
	Low	Promote domestic market and build up competitiveness capability - Exhibition - Cultural tourism <b>Incubate</b>	Promote exports and build up competitiveness capability - Wooden Furniture - Film - Animation <b>Differentiate</b>	
		Low	Commercial potential	High

# Critical Issues and Next Steps

## Critical Issues for Development of Creative Economy:

- ❑ Infrastructure for Creativity
- ❑ Creative Clusters both at national and local level
- ❑ Human Resource Development
- ❑ Finance and Investment
- ❑ Marketing
- ❑ Intellectual Property Rights (IPRs) and related laws
- ❑ Data Systematic Collection
- ❑ Integrated Policy to cover R&D, Production, Marketing, HR and Cultural Restoration and Inheritance

## A Next Step to Further Develop the Creative Economy:

- ❑ **Creative Industry Development Master Plan: as a guideline framework for cooperation between relevant governmental agencies and private sector.**

# Proposed Study Issues

## Scope of Work

**Conceptual Framework**

**In-depth Analysis**

**Strategic Planning & Implementation**

**Creative Economy Master Plan**

- Concept framework of the creative economy (worldwide)
- Detailed contents of the creative economy (worldwide)
- Review of creative economy in Thailand (definition & coverage)
- Define scope and objective of further study (Thailand's creative economy)

**Situation Analysis**

- Study on strategic issues:
  - Delphi technique, In-depth interview and quantitative preliminary-survey
  - Positioning Thailand's creative economy
  - Gap Analysis
  - Best practice analysis
- Formulation of strategic direction
- Proposed strategy for enhancing the creative economy in Thailand

**Strategy Formulation**

- Strategy Envisioning Workshop
- Strategic Architecture
- Critical Success Factor
- Strategic Alliance (division of labor)
- Risk Assessment

**Strategy Planning & Implementation**

**Thank you**

[www.nesdb.go.th](http://www.nesdb.go.th)

© Copyright NESDB 2008