



Thailand
3.68

	Score	Weight
Consumer Infrastructure	0.43 (0.88)*	0.11
Consumer Usage and Skills	0.67 (0.70)*	0.11
Business Infrastructure	0.25 (0.64)*	0.31
Business Usage and Skills	0.36 (0.71)*	0.43
Public sector Infrastructure	0.51 (0.83)*	0.02
Public sector Usage and Skills	0.29 (0.68)*	0.03

*The score of the leading performer for this component

Table 1: Component Scores & Weights 2011

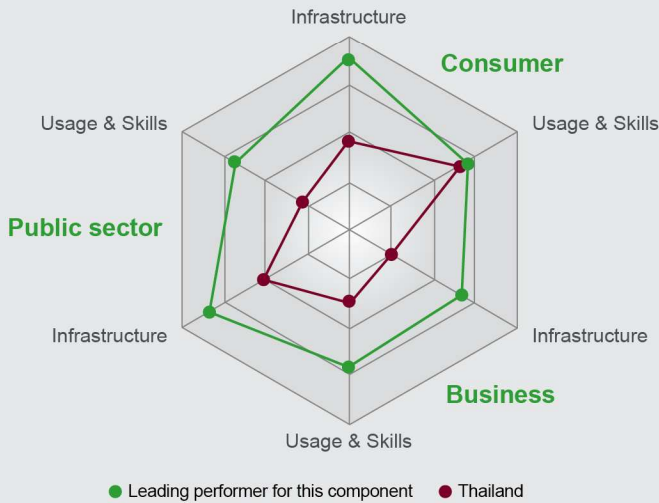


Fig 1: Component Scores 2011

Connectivity Scorecard 2011

Thailand

Overview

Thailand scores 3.68 and climbs one place to rank 11th among the resource and efficiency-driven¹ economies on the Connectivity Scorecard 2011 index.

Thailand's performance this year is quite similar to last year's - strengths on the consumer components have been compromised by a weak performance on the business components.

Strengths

On the consumer components, Thailand scores very strongly on unique user wireless penetration as reported by Yankee Group. This score appears to compensate for a relatively less strong score on the ITU's reported measure of wireless penetration, which is based on SIM cards per 100 persons.² However, high adult literacy coupled with very high levels of mobile voice usage has helped Thailand perform rather well on consumer usage and skills. On the business side, the country is also one of the strongest performers in terms of ICT goods exports and imports among resource and efficiency economies.

Weaknesses

Thailand has no strong relative performances on the business sector components. Its ICT goods exports and imports are still substantially below the levels of the leading country, Malaysia. Thus, Thailand's good performance does not translate into a good relative score in these cases. Similarly, on many of the business metrics, Thailand never scores highly in relation to the top-scoring country – the reason being that there is a lot

¹ As defined by The World Economic Forum www.weforum.org

² Last year, we used a measure of tele-density that capped mobile penetration at 100, which reduced the dispersion on this measure. This year, our intention was to measure "unique user wireless penetration" which is the ideal measure of wireless penetration. However, given the unavailability of suitable data for several countries, we balanced this measure with the traditional ITU measure of penetration, which is effectively SIM cards per 100 persons.

of genuine disparity within the resource and efficiency economies in terms of ICT spending, internet bandwidth, etc. Secondary school enrolment though at respectable levels, could still be improved.

On the public sector components as well, Thailand has no significant strengths. The country's performance lacks in areas such as the UN's e-government ratings of government online service availability and e-participation. The same disparity, and the consequent mediocre Thai performance, is also evident in the estimated ICT spending by the government, healthcare and educational sectors.

Conclusions

Thailand shows some areas of promise—this is particularly true in mobile telephony, where the country has high penetration and high levels of mobile voice usage. It can be argued that Thailand is somewhat unlucky as it actually performs quite well in relation to most other countries on some of the new metrics of ICT trade. However, the country falls well short of the leading country (Malaysia) on these measures. But, little has fundamentally changed since last year in the basics of Thailand's performance, with weakness in the business components overshadowing any strength on the consumer side. Given the poor results achieved so far with fixed-line broadband internet, usage of wireless broadband services should be one area the country could prioritise in its ICT development. In this light, the Thai government's difficulties and delays in auctioning off suitable 3G spectrum should not be repeated in future. Moreover, spectrum allocation should be seen not as a tool for raising government revenue, but as a crucial pre-requisite for enabling a broadband ecosystem in Thailand.

2011 vs. 2010

Thailand finished in 11th place this year with a score of 3.68 compared to 12th place and a score of 4.11 last year. The difference between scores and rankings this year³ in 2011 as compared to 2010 is explained by two factors: first, there is a change in the weighting system, and second, there have been extensive changes to the data indicators used. With respect to the resource and efficiency economies, for the first time ever, the report used specific data on the relative contributions of ICT investment (i.e., "ICT capital deepening") and human capital (i.e., "labour composition") to GDP growth. These new weightings place more weight on the "infrastructure" as opposed to "usage and skills" components for the

³ For more information download the Connectivity Scorecard 2011 Report from www.connectivityscorecard.org

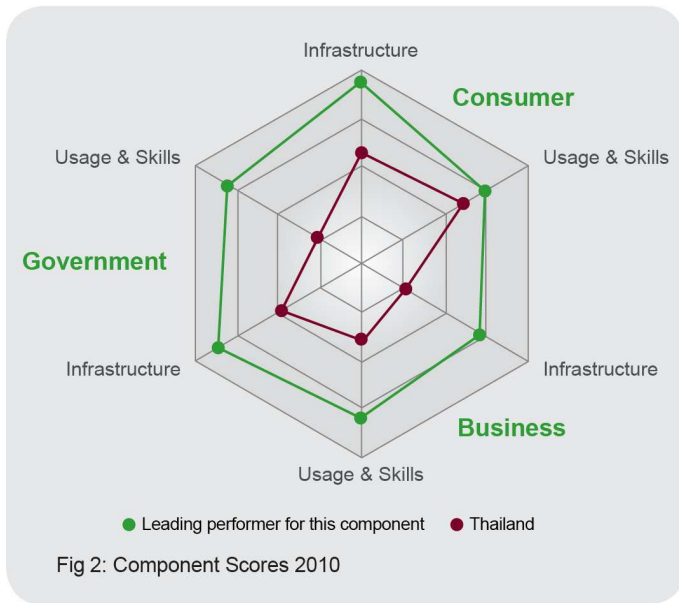
Rank []	Country	Connectivity Score
1 [1]	Malaysia	6.61
2 [3]	Chile	6.21
3 [5]	Russia	5.68
4 [7]	Turkey	5.51
5 [4]	Argentina	5.46
6 [6]	Brazil	5.14
7 [8]	Mexico	4.87
8 [10]	Ukraine	4.81
9 [2]	South Africa	4.68
10 [9]	Colombia	4.06
11 [12]	Thailand	3.68
12 [13]	Tunisia	2.79
13 [15]	Vietnam	2.73
14 [17]	China	2.72
15 [14]	Iran	2.41
16 [19]	Philippines	2.15
17 [n/a]	Syria	2.11
18 [20]	Indonesia	2.01
19 [16]	Sri Lanka	2.01
20 [18]	Egypt	1.89
21 [21]	India	1.25
22 [25]	Pakistan	1.14
23 [23]	Nigeria	1.09
24 [22]	Kenya	0.95
25 [24]	Bangladesh	0.90

*last year's rank in parenthesis

Table 2: Connectivity Scorecard 2011 Results – Resource & Efficiency-driven Economies

business and public sectors. Had the report used the same weights as in 2010, Thailand would have obtained a score of 3.84 and would have been placed in the 10th position.

Owing to data constraints relating to other indicators in the business infrastructure and business usage and skills components, the report included data on ICT exports of goods (under infrastructure), and ICT imports of goods and exports of services (under usage). The justifications for these seemingly odd choices are as follows: high levels of ICT exports are likely to be quite correlated with the development of a reasonably strong ICT ecosystem. Similar to the car industry, ICT manufacturing in one area is likely to spawn spill-over effects into ICT in other manufacturing and ICT investment in complementary areas. For instance, an initial advantage in computer assembly might lead to the location of mobile handset assembly in the country. This in turn will likely have



positive spill-over effects into the wider economy. However, not all countries are ICT exporters or need to have ICT or export-led growth strategies. In this case, high levels of ICT imports might suggest a high level of domestic demand for ICT and thus be correlated with high levels of usage.⁴ High levels of ICT service exports are very likely to correlate with the presence of a critical mass of ICT user skills in the economy, which in turn could enable countries to support strong ICT sectors despite large sections of the population lacking ICT skills. Thailand actually performs relatively well, being among the top exporters and importers of ICT goods, as it plays host to a large ICT production base. However, Thailand is still well behind Malaysia in these terms, and thus suffers in terms of its relative score. In general, Thailand and other resource and efficiency economies outside the top handful have low relative scores on the business components due to the genuine and striking disparities between countries on the indicators that make up these components. The larger point is that while Thailand might be relatively strong in some respects of ICT (i.e., it is usually above average), it is still a long way behind the top few performers among the resource and efficiency economies.

⁴ In fact, a good argument could be made that the "ICT imports" indicator should be stuck under the "business infrastructure" component since they could also be correlated with business investment. This does not, however, make much of a difference to the overall scores.

About Connectivity Scorecard

The Connectivity Scorecard is a global ICT index which, unlike other available research, is the first of its kind to rank countries in terms of "useful connectivity". That is, not only on the deployment of ICT infrastructure but also to measure the extent to which consumers, businesses and the public sector "make use" of connectivity technologies to enhance social and economic prosperity. This "useful connectivity" is defined as the bundle of infrastructure, complementary skills, software and informed usage that makes ICT the key driver of productivity and economic growth.

Commissioned by Nokia Siemens Networks, the study was created by Professor Leonard Waverman, Dean, Haskayne School of Business, University of Calgary, and Fellow, London Business School. The study was conducted by the consulting firms Berkeley Research Group and Communicea.

For more information on the Connectivity Scorecard, visit www.connectivityscorecard.org

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