



Connectivity Scorecard 2009

Thailand – strong show on consumer front

Overview

Thailand ranks 11th within its peer group of resource and efficiency-driven¹ economies on Connectivity Scorecard 2009. With an overall score of 3.75, it is the 1st runner up among Asian nations, surpassing others including Philippines, Vietnam, Sri Lanka, Pakistan, and the emerging superpowers India and China.

Although 3.75 is a respectable score in the context of Asian peers, the fact that Malaysia, the only Asian nation that finishes ahead of Thailand, scores 7.07 illustrates just how much room for improvement there is to match the highest performers in the resource and efficiency-driven portion of the Scorecard.

Strengths

Thailand performs well on the consumer front, scoring 0.63 in consumer infrastructure, which is relatively high when considered in context of the top score of 0.81 for this category.

	Score	Weight
Consumer Infrastructure	0.63 (0.81)*	0.15
Consumer Usage & Skills	0.63 (0.84)*	0.15
Business Infrastructure	0.20 (0.73)*	0.30
Business Usage & Skills	0.32 (0.74)*	0.37
Government Infrastructure	0.43 (0.93)*	0.02
Government Usage & Skills	0.23 (0.92)*	0.02

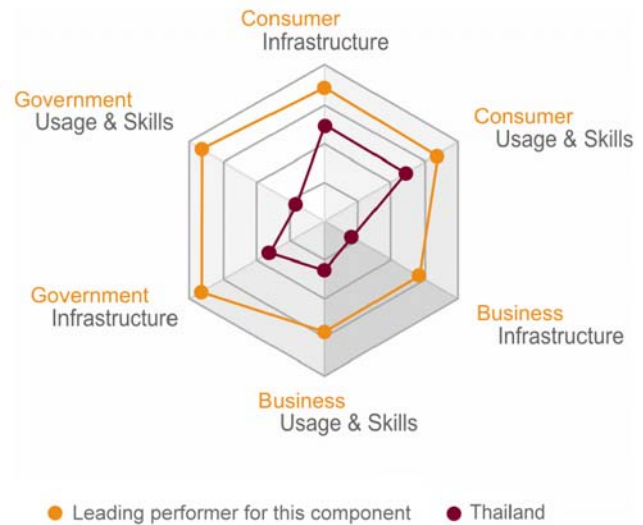
* The score of the leading performer for this component

¹ As defined by the World Economic Forum



This score reflects the country's high mobile cellular penetration rate, which at more than 100% is the most significant contributor. However, it is important to note that this high penetration could be due to the 'multiple SIM' factor.²

Thailand does reasonably well on consumer usage and skills metrics as well. The country's high literacy rates and relatively high levels of voice usage boost its scores to reach 0.63 with the highest score in this category being 0.84.



Weaknesses

The country's weak links are its business and government sectors.

As is common in a great many of the resource and efficiency-driven economies, Thailand scores very poorly on business metrics, with just 0.20 for business infrastructure and 0.32 for business usage and skills. Thailand's relative performance on all business measures too is weak. Broadband services are at best moderately developed, and its scores on measures such as penetration of secure servers and availability of international bandwidth are low compared to the best performing nation. In fact, the only business metric on which Thailand achieves a relative score greater than 0.5 is secondary school enrolment rates. The very high weighting accorded the business segments by the Connectivity Scorecard, which in Thailand's case is 67 per cent of the total score – reflecting the overall contribution to the economy and productivity of the business sector – , is a significant drag on the Thai score.

Thailand also performs poorly on e-government measures, such as the availability of government services online and government spending on hardware, software and services, and thus scores a low 0.43 and 0.23 on government infrastructure and government usage and skills respectively. Fortunately for Thailand, the government sub-categories have a low weighting, minimizing the negative impact of its poor performance in terms of individual metrics on the country's overall score.

Analysis

Thailand shows some signs of the right investments, particularly in developing mobile telephony, but it must focus on expanding the infrastructure.

According to the ITU, the Thai telecommunications market is partially competitive, including the mobile services sub-sector. Although Thailand does have a separate telecommunications regulatory body, this falls under the aegis of a government ministry (MICT), and the country could benefit from further reforms to the sector, particularly those that spur broadband deployment.

² Rather incongruously, the ITU and other international sources appear to suggest that only some 37% of the Thai population are covered by mobile cellular networks. This would seem to contradict the fact that Thailand has a mobile penetration rate of more than 100 percent – even given that some of the penetration rate is due to the "multiple SIM" factor. We have therefore assumed that 100 percent of the population is covered by mobile networks.

Currently, at a rank of 78 out of 177 countries Thailand's human capital development level is relatively superior to other South East Asian nations.³ However, as with other countries at similar levels of development, Thailand must continue to develop complementary assets in this area to realize the fullest potential of its ICT investments.

With GDP growth forecast to be just 3% in 2009, the current financial crisis is and will continue to be particularly challenging for the country. The government should not, however, forget the importance of infrastructure, ICT and education even if funding these requires special measures in the years to come.

APPENDICES

About Connectivity Scorecard

Connectivity Scorecard is a global ICT index, which measures the extent to which governments, businesses and consumers make use of connectivity technologies to enhance social and economic prosperity. Unlike other research available, Connectivity Scorecard also measures "usage and skills," such as literacy, the use of enterprise software and the accessibility of women to ICT.

Nokia Siemens Networks has commissioned the study, which is the first of its kind to rank countries not only on their deployment of ICT infrastructure but also on the extent to which people, governments and businesses put this infrastructure to economically productive use.

The study is created by Leonard Waverman, Fellow of the London Business School and Dean and Professor at the Haskayne School of Business at the University of Calgary, and conducted under his direction by international economic consulting firm LECG.

For more information on Nokia Siemens Networks' Connectivity Scorecard, visit www.connectivityscorecard.org

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³ http://hdrstats.undp.org/countries/country_fact_sheets/cty_fs_THA.html