Why Services: A deep dive into service sector liberalization

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Environmental Change

- Changing Customers’ Demand
- Competing for filling in “The Gap of Hidden Need and Existing Demand”
- Consumer need information, they can find easily; however, ...
- “Communication to the right channel at the right time” is important for business
Innovation in Service

- Improve Process
- Work Faster
- Reduce Redundancy
- Less Human Judgment (Less Corruption)
- Keep Track of Database & Customers
- Faster & On Time
- Less Cost
- Better Offer
- Understand Customers More
- New Customer Interaction Channels
- New Distribution System

Better Services ➔ More Profit
Service Industry versus Value-Added Service to your industry

- **Service Industry:** airline, tourism, hospital, banking, advertising, IT, ...

- **Value-Added Service to your industry:**
  - Door to Door Delivery Service
  - Certify safety product before reaching customer; "ThaiGAP"
  - Training for exporter to compliance in specific market
  - Training to increase efficiency of operation
**THAI Good Agricultural Practice** Belongs to Thai Chamber of Commerce. **Traceability** is strongly concerned for THAIGAP private standard with QR code. The development of group certification & quality management system include service providers, technical knowledge & training.
- Using more brain to add value to service
  - Changing business model e.g. Uber Taxi or Uber Motorcycle (With application by utilizing other people assets)
• **Sample**: Food Tours e.g. by Tuk Tuk
Sample: Medical Tourism e.g. Tea Therapy in Korea
Change Role & Responsibility of Government

From Regulator .... to Facilitator, Promoter, Supporter
Some operations have been outsourced to private sectors i.e. Passport

More Future Outsourced Operation: certify products or process, registered, approval, .... ???
BMA Express Service
(Bangkok Metropolitan Administration)
จุดบริการด่วนมหานคร @ Siam, Promphong, Mor-Chit

- **Services**: ID, House Certificate, Change Name, BKK Tourist Info
- **Operation**: 7 Days a week
“Regulatory Reform Project” by Public–Private Collaborative Committee

Target

- Competitiveness
- Ease Of Doing Business
- Efficiency

5 Quick Wins

Regulatory Reform
Revise Rules & Regulations – “Ease of Doing Business” to increase country competitiveness

- **Set up new business**
  - Singapore: 2.5 days
  - S. Korea: 4 days
  - Malaysia: 5.5 days
  - Thai: 27.5 days

- **Construction Permit**
  - Singapore: 26 days
  - S. Korea: 29 days
  - Malaysia: 74 days
  - Thai: 113 days

- **Tax preparation**
  - Singapore: 82 hours
  - S. Korea: 133 hours
  - Malaysia: 187 hours
  - Thai: 264 hours

- **Int’l Trade (Export)**
  - Singapore: 6 days
  - S. Korea: 8 days
  - Malaysia: 11 days
  - Thai: 14 days
Ease Of Doing Business Ranking

2015

1. Singapore
2. New Zealand
3. Hong Kong
4. Denmark
5. South Korea
17. Malaysia

46. Thailand

2016

1. Singapore
2. New Zealand
3. Denmark
4. South Korea
5. Hong Kong
18. Malaysia

Target 2018

Thailand to be the Top 20

49. Thailand
5 Quick Wins

1. Custom

2. Food & Drugs

3. Immigration

4. EIA/EHIA

5. City Plan
Immigration Policy

It is necessary for Thailand to enhance its competitiveness in the field of R&D and targeted industries in order to propel the economy and overcome the middle income trap by attracting investment with advanced technology as well as professional workers, researchers and skilled labors from foreign country to work and share knowledge to Thailand.

Current Situation

- Visa & Work Permits procedures are separated
- There is only one type of work permit regardless of skill
- No privileges for professionals, researchers or any young talent
<table>
<thead>
<tr>
<th>Thailand</th>
<th>Singapore</th>
<th>Australia</th>
<th>USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Separating between Visa and Work permit</td>
<td>• Separating between Visa and Work permit</td>
<td>• Combining Visa and Work permit into Work Visa</td>
<td>• Combining Visa and Work permit into Work Visa</td>
</tr>
<tr>
<td>• No privileges</td>
<td>• Privileges</td>
<td>• Privileges</td>
<td>• Privileges</td>
</tr>
<tr>
<td>• Having only one type of work permit</td>
<td>• Having 5 types of work permits depending on skills</td>
<td>• Having 3 types of Work Visa depending on skill</td>
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</tr>
</tbody>
</table>

**Work Permit**

- Work Permit
- S PASS
- Employment Pass
- Personalized Employment Pass
- Entre Pass

- approved by eligible employer

- Permanent Employment Visa
- Temporary Employment Visa
- Person who having Work Visa
1. VISA and Work Permit

- Using “Work Visa system” instead of work permit

- Work Visa classified by skill level which are:
  
  Type 1. Work Visa for “Low level-skilled foreign workers”
  
  Type 2. Work Visa for “Mid level-skilled foreign workers”
  
  Type 3. Work Visa for “High level-skilled foreign workers”
  
  Type 4. A Person who has been invited

- Having “Privileges” to attract talented workers and for a person who has been invited to work in the country (Type 4) would have privileges in specific field such as NEW S-CURVE
2. **Ease of Doing Business**

- To set up “One Stop Service Center” for work permits
- To abolish the TM.6 and WP-10 to promote business activities
- To extend the long stay in Thailand in order to promote Medical Hub and Wellness

3. **Establishment the “Public-Private Ad-Hoc Committee”**

   To amend concerned laws to attract experts, researchers and skilled-labors from abroad.
Regulatory Reform

- **Hire Scott Jacobs (Jacobs, Cordova & Associates) to consult about Regulatory Reform**

- **Scott Jacobs used to do Regulatory Reform for OECD and be Regulatory Reform Consultants for several Countries**

### Regulatory Reform in some countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Total Laws</th>
<th>Abrogation</th>
<th>Revised</th>
<th>Effects</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Korea</td>
<td>11,125</td>
<td>48.8%</td>
<td>21.7%</td>
<td>Increase Job Hiring &gt;1 Mil Positions, GDP increase 4.4%, FDI increase 36,500 Mil USD</td>
</tr>
<tr>
<td>Vietnam</td>
<td>5,500</td>
<td>8.8%</td>
<td>77%</td>
<td>Reduce Business Operating Costs = 1.45 Thousand Mil USD/Year</td>
</tr>
<tr>
<td>Mexico</td>
<td>2,038</td>
<td>54%</td>
<td>27%</td>
<td></td>
</tr>
</tbody>
</table>
Progress Report on Ease of Doing Business

- Reducing property transfer fee and mortgage fee to 0.01
- Linkage land information with ID card number of the land owner
- Developing the land-searching system into online system (DOLWMS) via dolwms.dol.go.th:
  - Searching land information through Google Application titled “LandsMaps”
  - By 2016: The on-line land information will cover all over the country

- Enforcing Secured Transactions Act B.E. 2558 effective on 1 July 2016
- Developing online Secured Transaction Registry system via www.dbd.go.th

- 18 February 2016: Publicizing the Time Release Study: (TRS)
- Since 18 April 2016: Using Pre-Arrival Processing System
  - In the process of developing the Document Online system (NSW)

- e – Filing system: facilitate submission of financial statement via electronic system
- e - Offering Auction: enable bidding through electronic system

1. Starting business
2. Dealing with Construction Permits
3. Getting electricity
4. Registering property
5. Getting Credit
6. Protecting Minority Investors
7. Paying Taxes
8. Trading Across Borders
9. Enforcing Contract
10. Resolving Insolvency

- 1 December 2015: Developing business registration through Single Point Service
- Developing Biz Portal via biz.govchannel.go.th:
  - 29 February 2016: Launching Biz Portal to facilitate employer registration/online submission of labor regulations
  - 1 June 2016: Developing Biz Portal system to facilitate company registration online
  - 30 September 2016: dealing with construction permits and getting electricity via Biz Portal

- In the process of revising the civil and commercial codes section 1201 in which a company would pay dividend in stipulated time
- In the process of revising additional announcement concerning the disclosure of director’s authorize companies

- Developing tax payment channel via Counter Service and Banking
- Developing Online & Counter to facilitate the payment of social security fund
  - In the process of developing Calculation Sheet
  - In the process of reducing the procedure of e-payment via social security fund

- Revising Insolvency Act B.E.2558 Issue
- Legal Execution Department is in the process of data linkage with registration office
Innovation can add value to Better Services ➔ Better Business