

CHAPTER 12

Policy Evaluation: Thailand

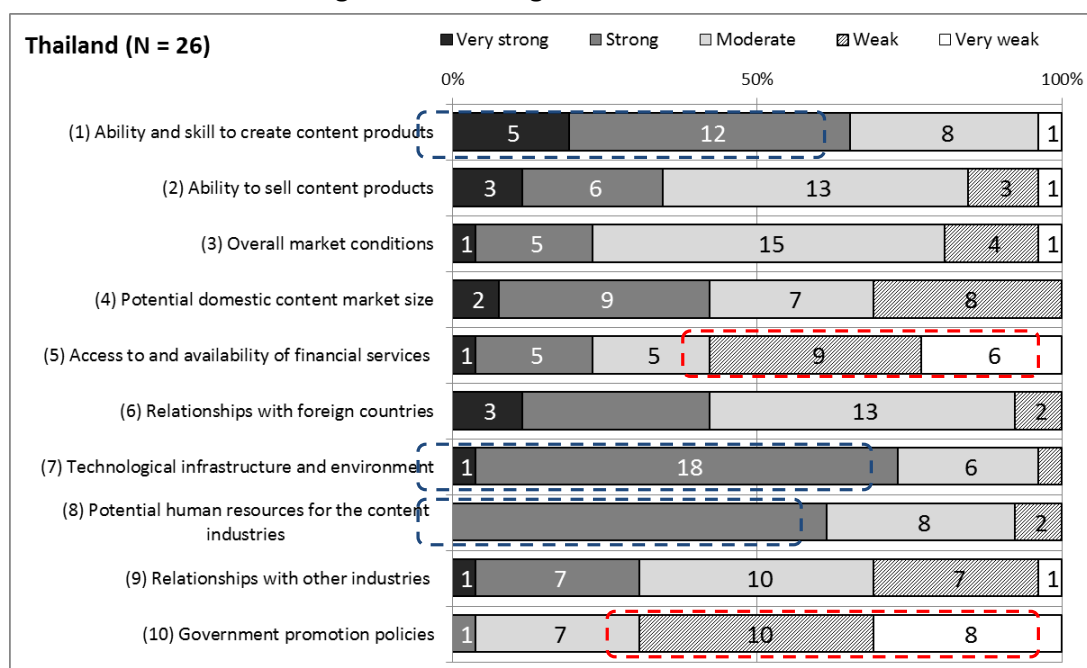
1. Strength/Weakness, Opportunity/Threat (SWOT) Analysis

1.1. Strength and Weakness: Survey Results

Figure 12-1 shows strengths and weaknesses, and Figure 12-2, strengths and weaknesses by respondent category. The majority of respondents recognise 'ability and skill to create content products' (1), 'technological infrastructure and environment' (7), and 'potential human resources for content industries' (8) as the industry's strengths. Item (1) is strongly recognised as a strength by company respondents, and items (7) and (8) by policymakers and government.

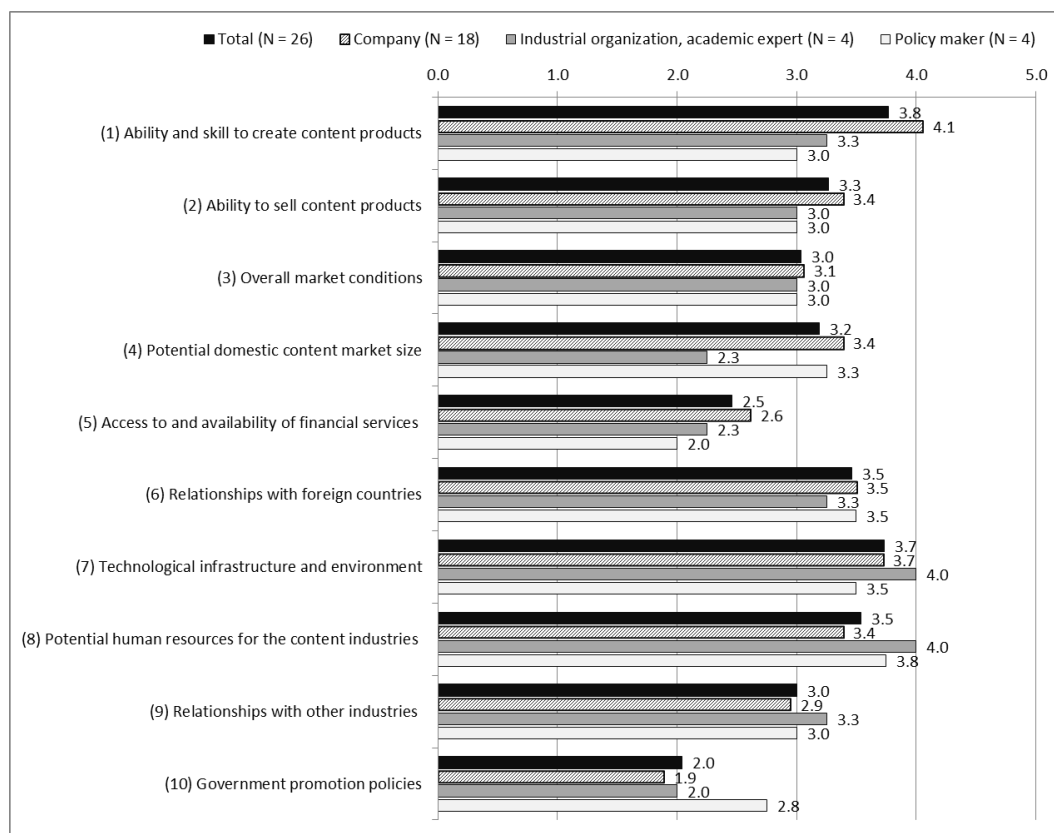
'Government promotion policies' (10) and 'access to and availability of financial services' (5) are considered weaknesses. Item (10) has the lowest score among company respondents, while (5) was lowest among policymakers.

Figure 12-1: Strengths and Weaknesses



Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 12-2: Strength and Weakness Score: Respondent Comparison

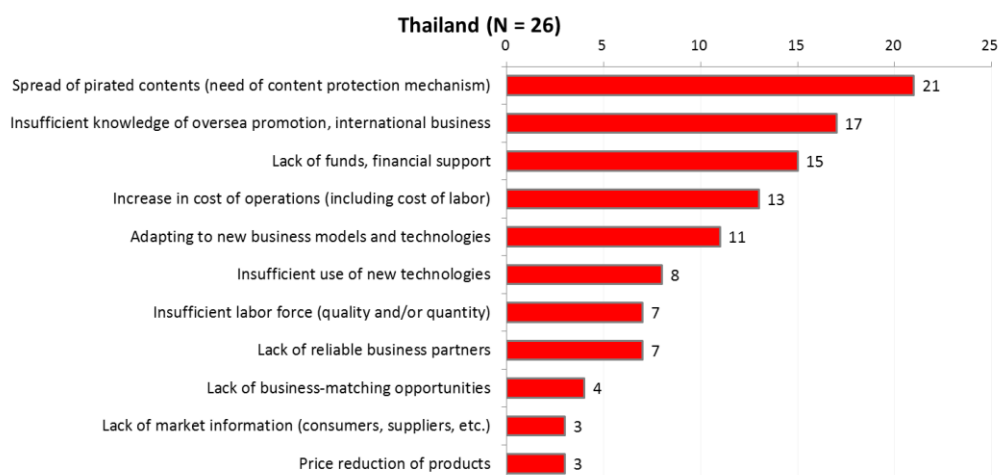


Source: Evaluation Survey of Content Industry Promotion Policies.

1.2. Current and Future Challenges

Figure 12-3 shows the results for current challenges facing the content industry. The most recognised issues are ‘spread of pirated content (need for content protection mechanism)’; ‘insufficient knowledge of overseas promotion, international business’; and ‘lack of funds, financial support’.

Many respondents call for more government support and intervention (Table 12-1). Another concern is the industry’s preparedness for overseas development and international competitiveness.

Figure 12-3: Current Challenges

Source: Evaluation Survey of Content Industry Promotion Policies.

Table 12-1: Free Descriptive Answers Regarding Current and Future Challenges

Category	Comment
Company	<ul style="list-style-type: none"> • Due to the rapid change in the digital content landscape, there will be more players and more market segments. Government intervention is required to support small and medium-sized enterprises [3,4/1,5] • Political instability in the country makes it more difficult for the industry to grow domestically [3,4/1,5] • Necessity of consistent and continuous government incentives and support [2,3,4/1,2,7] • Difficulty in raising funds or investment for film productions, necessity of gathering ideas from industry leaders on how to improve the media industry [1,3/7] • Difficulty in choosing language to be used in content once the ASEAN Economic Community is established. (Thai for domestic distribution or English for basic market access opportunities.) This issue will affect decisions to invest in content production. [1/3,5] • Difficulty in creating content that serves the interests of both production and marketing [3/1]
Industrial Organisation, Academic Expert	<ul style="list-style-type: none"> • Insufficient co-production, funding, and market opportunities [-/-]
Policy maker	<ul style="list-style-type: none"> • Difficulty in producing creative content for specific markets, e.g. North America, Europe, Asia, Latin America, etc. • Fierce competition expected

Note: Numbers after each comment describe the sector and operation the respondent is engaged in. [1 = TV programme, 2 = film, 3 = animation, 4 = games, 5 = music, '-' = no response / 1 = production, 2 = post-production, 3 = broadcasting, 4 = distribution, 5 = sales, 6 = purchase/aggregation, 7 = manufacturing, '-' = no response]

Source: Evaluation Survey of Content Industry Promotion Policies.

1.3. Strength/Weakness, Opportunity/Threat (SWOT) Analysis: Update of the FY2012 Report

The update of the 'Study on the Development Potential of the Content Industry in East Asia and ASEAN Region' (FY2012 Report) (Table 5-2) takes into account the survey results as well as recent market trends (Chapter 2) and policies (Chapter 4).

Thailand is considered to have strengths in technology infrastructure and environment, ability and skills to create content products, and potential human resources. Utilising these strengths, Thailand has seen a fast-growing domestic market and advancing overseas development by domestic entrepreneurs, with successful ripple effects on tourism and other fields.

Government promotion policies and access to and availability of financial services or lack of funds are considered weaknesses by the industry, which expects them to be improved. Although Thailand enjoys high market growth through production and distribution of various content products, the spread of pirated content poses a serious challenge and threatens further industry development. It is advised that these issues be addressed and solved through policy implementation.

There are also challenges in utilising the industry's strengths in relationships with foreign countries, since the majority of respondents still consider insufficient knowledge of overseas promotion and international business a weakness.

2. Policy Evaluation

2.1. Overall Evaluation

Figure 12-4 shows the survey results for the overall assessment of related policies. Sixteen out of 24 (66 percent) respondents indicate negative evaluation ('not successful').

Figure 12-5 shows the score for each respondent category, indicating the gap between stakeholders.

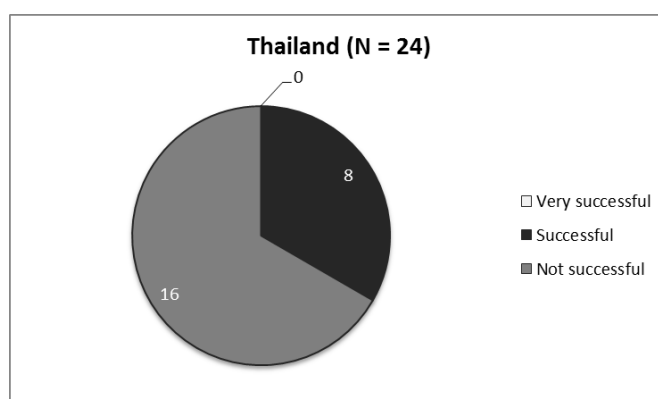
Table 12-2: SWOT Analysis: Thailand

Internal	
<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> ● Fast-growing and potential domestic market ● High quality of digital content production, service equipment, post production, and manpower ● A variety of film locations and good facilities ● Strong relationships with other countries (e.g. co-production experience with major players in China and other countries in the region) ● Some major cases of ripple effect on tourism 	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> ● Insufficient government promotion policies ● Relatively limited government support to private companies (e.g. financing and capacity building) ● Insufficient human resource development programme ● Limited access to and availability of financial services, including government funds ● Spread of content piracy
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> ● Large population and high potential for growth in a variety of fields ● Growing spending power along with growing economy and growing middle class ● Transition toward terrestrial digital broadcasting ● Single integrated market for 10 ASEAN nations by 2016 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> ● Low gross domestic product per capita ● Unstable power supply in some upcountry areas ● Lack of legal enforcement to combat content piracy ● Insufficient measures such as tax incentives and other privileges for entrepreneurs in the country and abroad ● Vertically segmented administration and regulations ● Legal issues in classification of content, which hinder creativity and promotion of new content

External

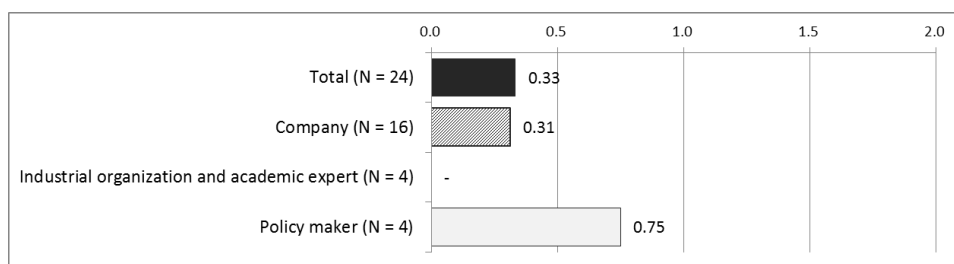
ASEAN = Association of Southeast Asian Nations; SWOT = strength/weakness, opportunity/threat.
Source: Authors.

Figure 12-4: Overall Assessment of Content Policies



Source: Evaluation Survey of Content Industry Promotion Policies.

**Figure 12-5: Overall Assessment of Content Policies:
Score per Respondent Category**



Note: Figures indicate weighted average of number of respondents and weight (very successful = 2, successful = 1, not successful = 0).

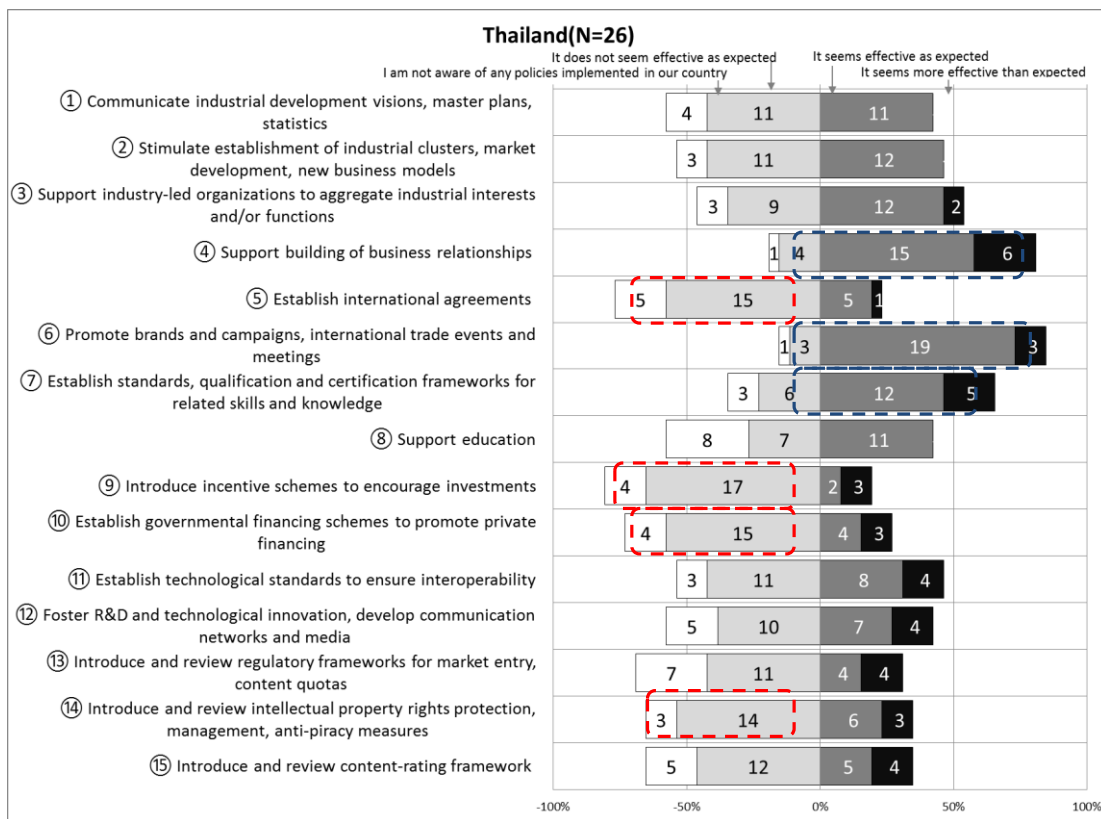
Source: Evaluation Survey of Content Industry Promotion Policies.

2.2. Effectiveness of Current Policies

Figure 12-6 shows the survey results on implementation awareness and policy effectiveness. The results indicate the respondents' awareness of how the policies meet their expectations. Policies #3 (Support industry-led organisations to aggregate industrial interests and/or functions); #4 (Support building of business relationships); #6 (Promote brands and campaigns, international trade events and meetings); and #7 (Establish standards, qualification and certification frameworks for related skills and knowledge) are supported by the majority of respondents.

Policies #9 (Introduce incentive schemes to encourage investments) and #10 (Establish government financing schemes to promote private financing) have many negative votes corresponding to 'access to and availability of financial services' (Section 1.1). Improving and stimulating related policies should help the industry overcome this weakness.

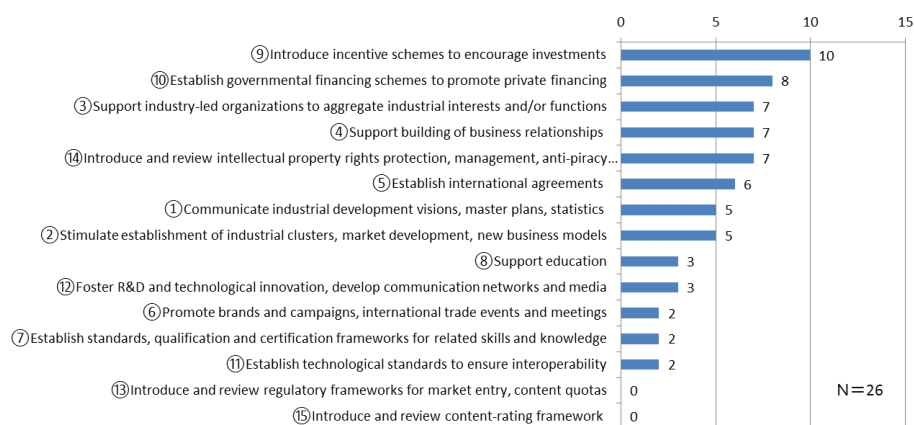
Figure 12-6: Policy Effectiveness



Source: Evaluation Survey of Content Industry Promotion Policies.

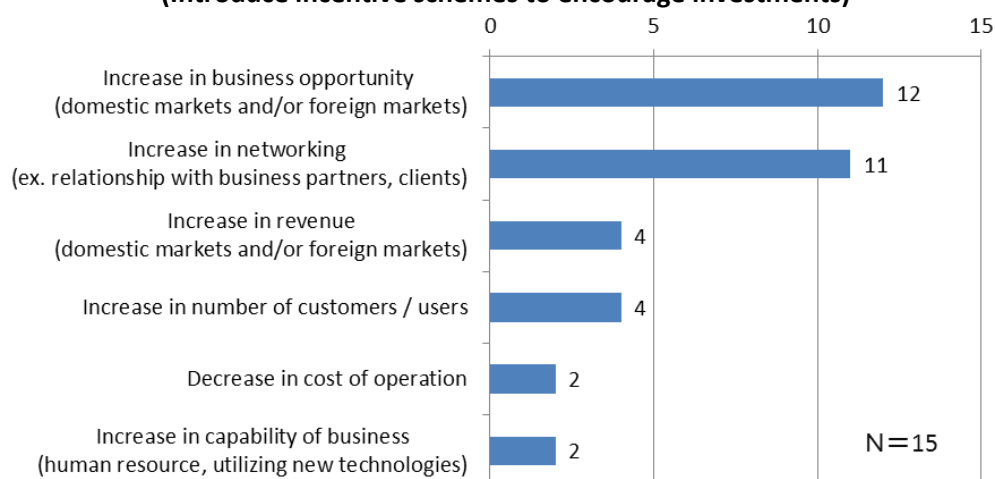
Figure 12-7 shows, in descending order, the policies considered to be highly effective. Policy #9 (Introduce incentive schemes to encourage investments) has the most votes. Figure 12-8 describes the effects and outcomes that have resulted from the policy. Most respondents have enjoyed increased business opportunities and networking with business partners and clients.

Figure 12-7: Policies Regarded as Effective



Source: Evaluation Survey of Content Industry Promotion Policies.

**Figure 12-8: Effects and Outcomes as a Result of Policy #9
(Introduce incentive schemes to encourage investments)**



Source: Evaluation Survey of Content Industry Promotion Policies.

2.3. Key Success Factor

Figure 12-9 shows what respondents consider an important element (key success factor) for maximising the effectiveness of policy #9 (Introduce incentive schemes to encourage investments). The majority of respondents consider the policy’s sustainability the most important element. The government is expected to continue promoting brands and campaigns to encourage the industry.

**Figure 12-9: Key Success Factor of Policy #9
(Introduce incentive schemes to encourage investments)**

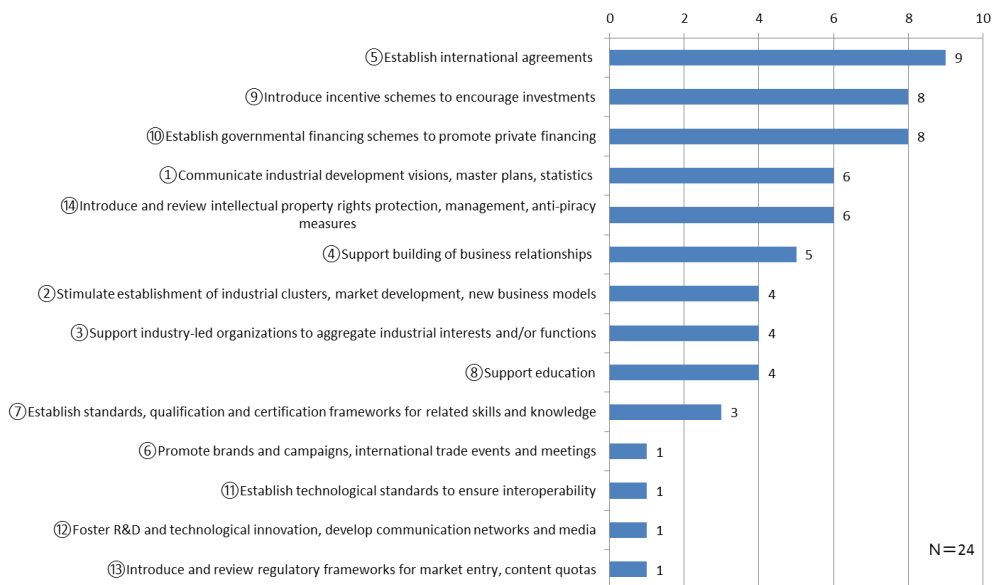


Source: Evaluation Survey of Content Industry Promotion Policies.

2.4. Challenges

Figure 12-10 shows the policies considered to face challenges. Policy #5 (Establish international agreements) has the most votes. Figure 12-11 shows that many respondents consider clear policy vision, goal, and purpose as key to overcoming the challenge.

Figure 12-10: Policies Needing Improvement



Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 12-11: Difficulties and Constraints of Policy #5 (Establish international agreements)



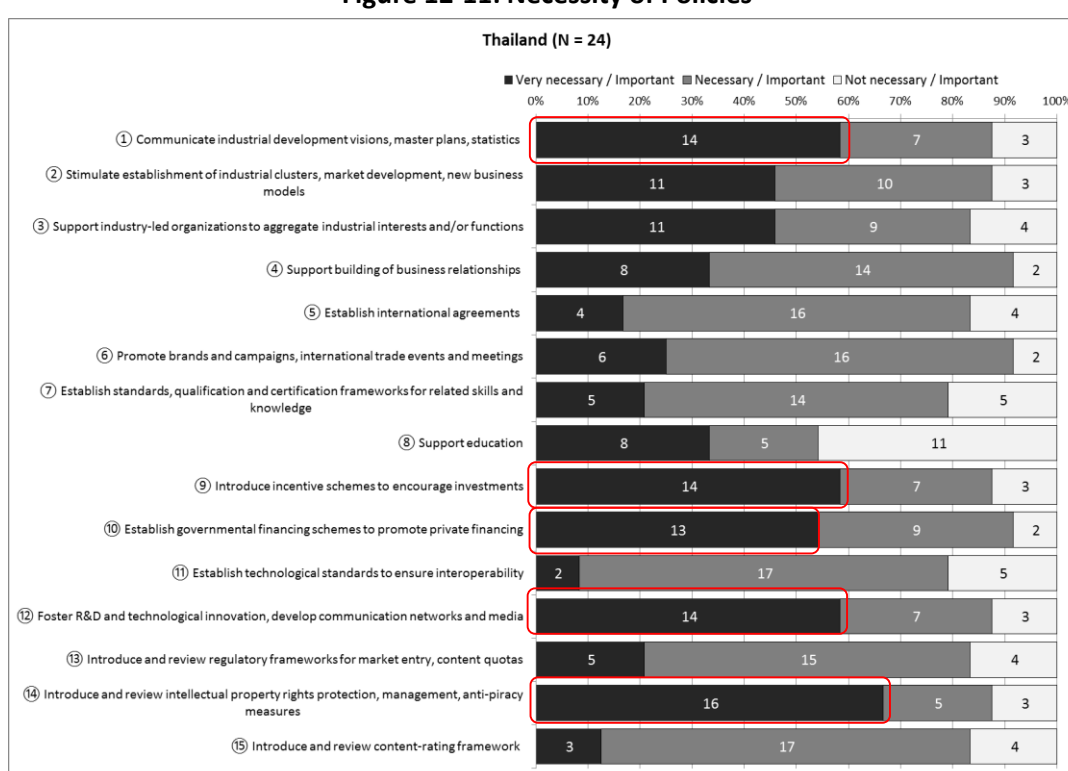
Source: Evaluation Survey of Content Industry Promotion Policies.

2.5. Necessity of Current Policies and Expectations

Figure 12-12 shows the survey results on necessary policy. Considered the most necessary is policy #14 (Introduce and review intellectual property rights protection and management and anti-piracy schemes).

Figure 12-13 shows the respondents' expectation of policies, irrespective of current implementation. The majority of respondents expect an increase in revenues and business opportunities.

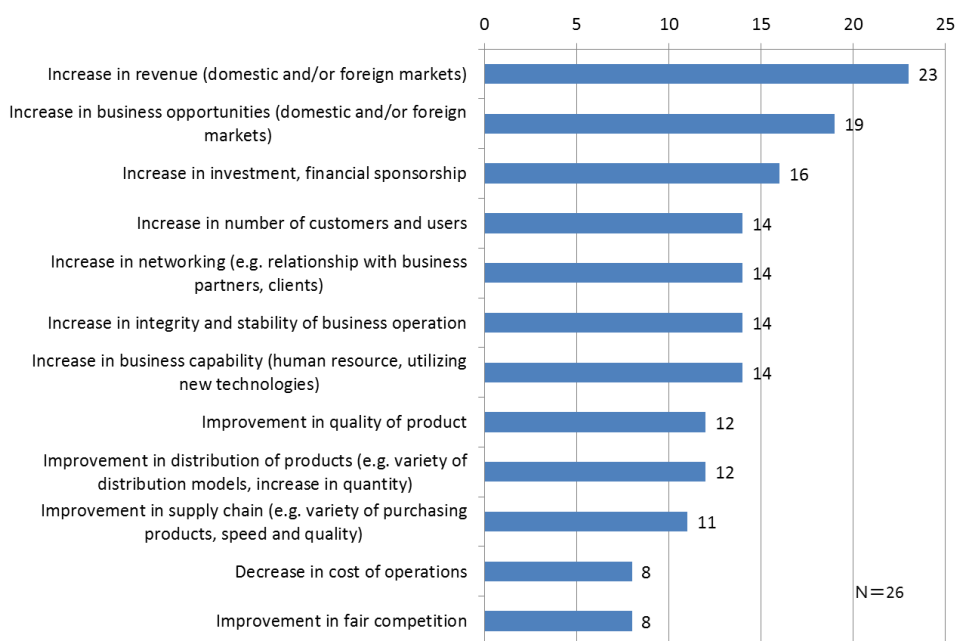
Figure 12-11: Necessity of Policies



Source: Evaluation Survey of Content Industry Promotion Policies.

2.6. Policy Prioritisation

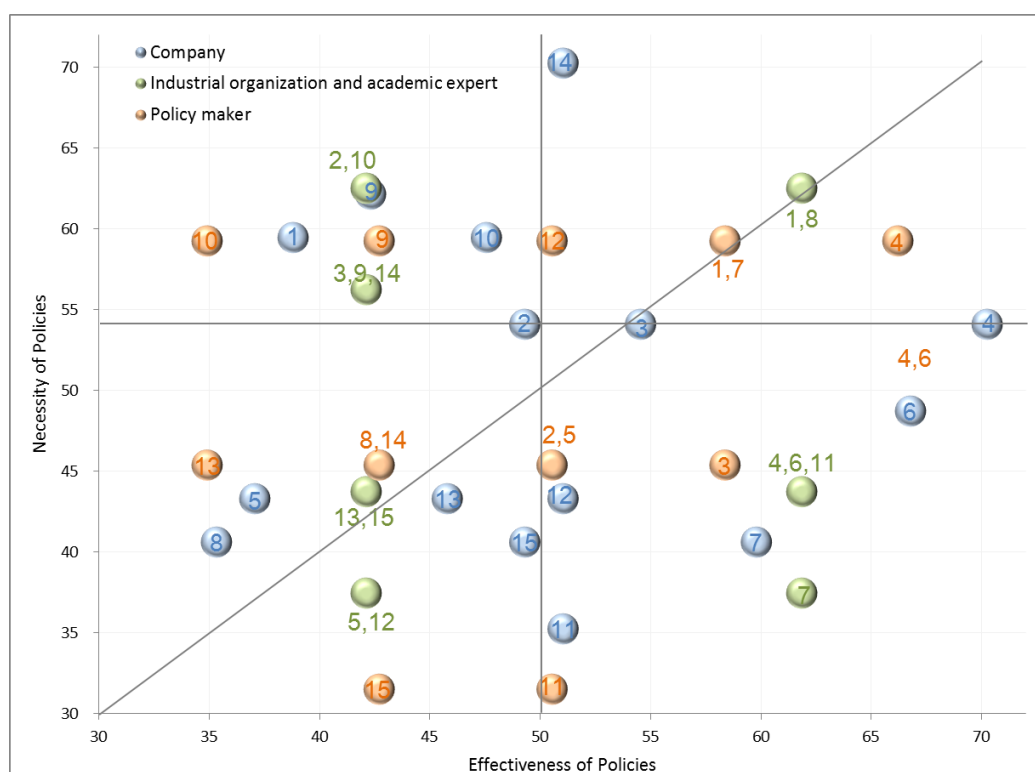
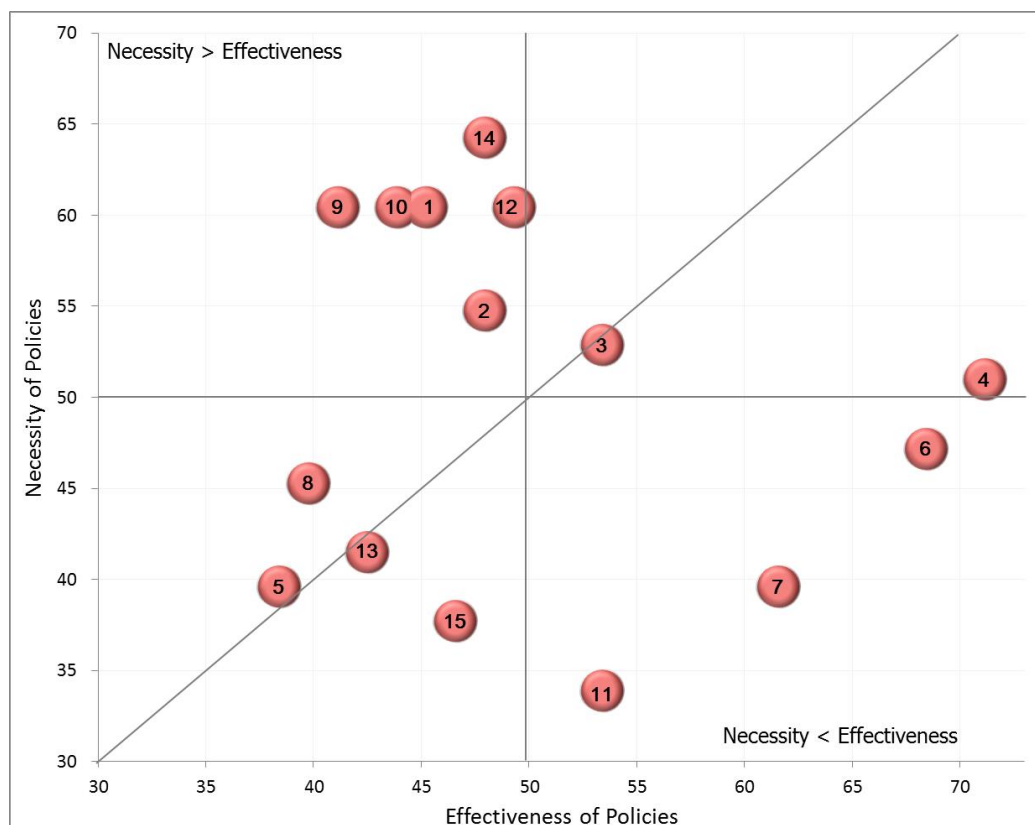
Figure 12-14 maps the effectiveness and necessity of each policy. The figures are converted into deviation values to relatively map the results. Each plot describes the policy activity. There is high demand for policies #1 (Communicate industrial development visions, master plans, statistics), #2 (Stimulate establishment of industrial clusters, market

Figure 12-12: Expectation of Implemented Policies

Source: Evaluation Survey of Content Industry Promotion Policies.

development, new business models), #9 (Introduce incentive schemes to encourage investments), #10 (Establish governmental financing schemes to promote private financing), #12 (Foster research and development and technological innovation, develop communication networks and media), and #14 (Introduce and review intellectual property rights protection and management, anti-piracy measures) although the current policies do not seem to meet stakeholders' expectations. Effectiveness of policies #6 (Promote brands and campaigns, international trade events and meetings), #7 (Establish standards, qualification and certification frameworks for related skills and knowledge), and #11 (Establish technological standards to ensure interoperability) significantly exceeds necessity. Table 12-3 describes the overall analysis results. It provides the performance indicator for each policy activity, describing the priority level, or the relative distance between necessity and effectiveness (see Chapter 1 for a more detailed explanation of a performance indicator). The results also show that policies #9 and #10 (finance) have the highest priority for improvement.

Figure 12-13: Effectiveness vs. Necessity of Policies
(above: average, below: by category)



Source: Evaluation Survey of Content Industry Promotion Policies.

Table 12-3: Analysis Results of Policy Evaluation

Policy Area	Policy Activities	Performance	CV Effectiveness, %	CV Necessity, %
Industry and Market Development	1. Communicate industrial development visions, master plans, statistics	- 10.8	19	2
	2. Stimulate establishment of industrial clusters, market development, new business models	- 4.9	8	13
Organisational Scheme, Business Relationship	3. Support industry-led organisations in aggregating industrial interests and/or functions	0.3	13	9
	4. Support building of business relationships	14.2	5	12
International Relationship	5. Establish international agreements	- 0.9	13	8
	6. Promote brands and campaigns, international trade events and meetings	15.0	3	13
Human Resources	7. Establish standards, qualification and certification frameworks for related skills and knowledge	15.5	2	21
	8. Support education	- 4.0	24	19
Finance	9. Introduce incentive schemes to encourage investments	- 13.7	1	4
	10. Establish governmental financing schemes to promote private financing	- 11.8	12	2
Technology	11. Establish technological standards to ensure interoperability	13.7	10	14
	12. Foster research and development and technological innovation, develop communication networks and media	- 7.9	9	20
Legal Framework	13. Introduce and review regulatory frameworks for market entry, content quotas	0.6	11	2
	14. Introduce and review intellectual property rights protection and management, anti-piracy measures	- 11.6	9	18
	15. Introduce and review content-rating framework	6.2	7	13

CV = coefficient of variation (variation among respondent categories).

Note: 'Performance' indicates the relative distance where: (a) Figures above zero: Effectiveness outperforms necessity/expectation; (b) Figures below zero: Effectiveness underperforms necessity/expectation.

Source: Authors based on Evaluation Survey of Content Industry Promotion Policies.

3. Summary

Figure 12-15 summarises the results.

Figure 12-15: Overall Results: Thailand

Content Market Conditions					
Market Size	Small (US\$ 3.8 Billion)	Market Growth	High (9.3%)	GDP Contribution	High (1.8%)
SWOT Analysis	Strengths			Weaknesses	
	<ul style="list-style-type: none"> ✓ Ability and skill to create content products ✓ Technological infrastructure and environment ✓ Potential human resource for content industries 			<ul style="list-style-type: none"> ✓ Government promotion policies ✓ Access to and availability of financial services 	
	Challenges				
<ul style="list-style-type: none"> ✓ Spread of pirated contents (need of content protection mechanism) ✓ Insufficient knowledge of overseas promotion, international business ✓ Lack of funds, financial support ✓ Change in digital content landscape (increasing market players and segments) ✓ Co-production, funding, market opportunities ✓ Potential of creative content production suited for global market (including language) 					
Policy Evaluation	Policy with high effectiveness			Policy with high necessity	
	<ul style="list-style-type: none"> ✓ Support building of business relationships (e.g. business match making, promoting partnerships) 			<ul style="list-style-type: none"> ✓ Introduce & review intellectual property rights protection, management, anti-piracy measures 	
	Effects and outcomes			Policies facing challenges	
	<ul style="list-style-type: none"> ✓ Increase in revenue (domestic and/or foreign markets) 			<ul style="list-style-type: none"> ✓ Establish international agreements 	
	Key success factor			Difficulties and constraints	
<ul style="list-style-type: none"> ✓ Clear policy vision, goal, and purpose 			<ul style="list-style-type: none"> ✓ Clear policy vision, goal, and purpose 		
Performance : High (Effectiveness > Necessity)			Performance : Low (Effectiveness < Necessity)		
<ul style="list-style-type: none"> ✓ Establish standards, qualification and certification frameworks for related skills and knowledge ✓ Promote brands and campaigns, international trade events and meetings ✓ Support building of business relationships 			<ul style="list-style-type: none"> ✓ Introduce incentive schemes to encourage investments ✓ Establish government financing schemes to promote private financing ✓ Introduce and review intellectual property rights protection, management, anti-piracy measures 		

GDP = gross domestic product.

Source: Authors.

The government has introduced initiatives to develop the country into a more value-added economy and increase the value share of the creative economy, and has provided funds to boost the country's creative industries. Thailand has also focused on strengthening the role of information and communication technology, which supports the development of environment-friendly growth. The content industry is also highly expected to contribute to the country's growth.

As a result of these efforts, the content industry has high market growth and high contribution to gross domestic product. It has developed strengths in ability and skills to create content products, as well as technological infrastructure and environment. The government policies have seen high effectiveness in support of building business relationships (e.g. business match making and promoting partnerships), inducing increased company revenue. Also seeing high performance are the policies on establishing standards, qualification and certification frameworks for related skills and knowledge, and promoting brands and campaigns.

On the other hand, the industry still recognises insufficient government promotion policies as a weakness, especially in financial policy and particularly lack of funds and financial support. The performance of policy activities in this area has the highest priority for improvement among the policies. Widespread content piracy and the growing demand to strengthen the framework for intellectual property rights protection and anti-piracy measures are also issues. Practical schemes such as establishing international agreements could induce the industry to produce content products for the global market.