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QUARTERLY SUMMARY REPORT

Contractor Robert A. Jackson

Contract No.

AID/ea 121

PIO/T 493-161-3-00054

For Period March 29 - June 28, 1971

Thailand

July 7, 1971

Mr. Donald C. Marsden
Chief, Private Enterprise Division
United States Operations Mission (USOM)
Bangkok, Thailand

Dear Mr. Marsden:

I am transmitting herewith three (3) copies of my quarterly summary report. Two of the copies are for transmittal to the Bureau for East Asia, Office of Capital Development and Finance, AID/Washington as stipulated in Contract AID/ea 121, Paragraph 2. Reports subparagraph (3).

The reporting period covered is March 29 - June 28, 1971. In the event you wish to discuss the contents of the report, I will be pleased to do so at your convenience.

Respectfully submitted,



Robert A. Jackson, Ph.D

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SUMMARY

The activities of the Contractor as described in this quarterly summary report have been presented in a sequence consistent with that of the duties set forth in Contract Number AID/ea 121, PIO/T 493-161-3-00054 subparagraph B 1a.

During this period, March 29 - June 28, 1971, the Contractor has concentrated on policy formulation, training, and communications and coordination.

The effects of the departure of Dr. Amnuay Viravan and the assumption of control by the new Secretary-General, Mr. Somporn Punyagupta, created a temporary air of uncertainty among the staff. However, the transition was made smoothly and without incident. The interaction between the Contractor and the various division heads has materially increased for each division head is currently being pressed by the Secretary-General to provide plans for improved effectivity of his respective division. It appears that the BOI has decided to reorient its efforts away from regulatory activities with more emphasis being directed toward investment promotion and export promotion.

The new Secretary-General, who incidentally was Dr. Amnuay's deputy for four years, appears to be striving to maintain a low

profile and to avoid personal publicity. Apparently, the Chairman wishes to avoid providing the news media with ammunition with which to attack the BOI.

These comments do not mean that Secretary-General Somporn will allow the above considerations to interfere with the attainment of BOI goals. On the contrary, it is felt that the modified strategy will help BOI to more readily attain its objectives.

Where Dr. Amnuay ran a "one man show" and short-circuited the organizational structure, Mr. Somporn seems to be effectively rebuilding and strengthening the organization.

The benefits of his style of operating have already begun to be felt throughout all levels of the organization.

It is during such a period that the Contractor is able to participate more effectively in the policy formulation and organizational aspects of his assignment.

I. Activities Related To The Duties Set Forth Under Subparagraph B 12 (1)

"Provide advisory assistance in formulation, overall and on specific investment proposals, and possible improvements in the Investment Promotion Act."

The Contractor gathered data on Investment Promotion Laws of other regional countries and made comparisons to elucidate differences of emphasis.

At the request of Mr. Somporn, Secretary-General of the Board of Investment (BOI), Mr. Chira, Chief Economist, and the Contractor developed series of recommendations concerning the Investment Promotion Act which have been presented to the Board.

II. Activities Related To The Duties Set Forth Under
Subparagraph B 1a (2)

"Provide expert assistance and on-the-job training to personnel engaged in research, information analysis and investor services. Project evaluation and financial and economic analysis of such appraisal."

The Contractor collaborated with Mr. Pramote, Chief of Economic Analysis and Evaluation, on a research project concerned with acceleration of development activities by a program for the establishment of industrial estates.

The Contractor has on several occasions held in-depth discussions with the Research and Statistics Division personnel on the necessity of utilizing a graduated series of uniform approaches for industry studies as well as for feasibility studies. The same type of a step-by-step systematic approach to project analysis and evaluation would be of great value both as a training device and for purposes of control. This is not a plea for rigidity but rather an attempt to achieve consistency of performance.

The Contractor has presented an addition layouts (floor plans) for the proposed technical and economic library of the BOI.

The Contractor had a discussion with Mr. John Houseman of Houseman and Company Ltd., Stockbrokers and Underwriters, concerning the offering of shares of "promoted firms" to the

general public. The study in which the Contractor participated with Mr. Sompong of the Economic Analysis and Evaluation Division has been submitted to the Economic Subcommittee of the BOI by Mr. Chira, Senior Economist.

Mr. Pramote, Chief of Economic Analysis and Evaluation, Miss Vanee, Chief of Research and Statistics, and the Contractor hold several sessions on Mr. Pramote's assigned task of determining the steps which can be taken to improve the effectiveness of the BOI. The Contractor wrote a paper on the subject which was incorporated in Mr. Pramote's report to Mr. Somporn, the Secretary-General, who in turn submitted his recommendations to the BOI.

The Contractor trained Mr. C. Usuphantana to perform a series of simple operations on a slide rule to facilitate some of his computational tasks.

The Contractor assisted Mr. Sompong, Second Grade Economist analyze and evaluate an investment project for an industry with which Mr. Sompong was not familiar.

Mr. Patrote, Chief of Information and Services Division, and the Contractor are engaged in rewriting a pamphlet entitled, "Preparing Your Promotion Application." Included in the pamphlet will be a schematic portrayal of the step-by-step approach to perform the type of study recommended for the potential investor. The sequence

of data development does not coincide with the sequence that required for completion of the application form. For example, the first entry on the schematic presentation is the "Market Study" which does not appear until item 12 of the application form. It may will be that all of the effort to fill out items 1 through 11 of the application will be of no value if favorable solutions to the questions under item 12 "Marketing" are not found first. One is frequently appalled at the inability of investors to develop project data, therefore the BOI is being encouraged to provide more sympathetic guidance to the less experienced applicants.

III. Activities Related To The Duties Set Forth Under Subparagraph B 1a (3)

"Develop a program and institute the mechanics providing for a periodic evaluation of BCI promotional activities by type of industry and their overall contribution to the national economy."

The Contractor at the request of Mr. Somporn, the Secretary-General made some comparisons of the promotional activities of Thailand and other Southeast Asian countries who all compete for foreign investment resources.

The Contractor has been requested to assist the BOI in developing a plan for carrying on the activities initiated at the BOI by the Asian Development Bank Team.

The Asian Development Bank Team has compiled industry data for the textile industry and is now working on the hotel industry. It is the contention of the Contractor that due to excess capacity neither of these industries are likely to require further promotion during the next few years and that their selection for in-depth analysis was unfortunate. Other industries still to be developed are more worthy of study.

**IV. Activities Related To The Duties Set Forth Under
Subparagraph B 1a (4)**

"Provide assistance in improving working relationships, lines of communication and overall coordination between the BOI, other cooperating government agencies and the private sector. This will include direct assistance to potential investors, industry associations, etc."

The Contractor assisted Mr. Pairote, Chief of the Information and Services Division to carry on discussions with one group of potential investors who were considering the manufacture of perfume and another group interested in rubber boots.

The Contractor participated in a meeting on "Management Education Needs in Southeast Asia." The other participants were Dr. Amnuay Viravan, Chief of the Technical Planning Division of the Ministry of National Development and Mr. Philip Ruppert of the Regional Economic Development Office of the U.S. Embassy in Thailand (R. E. D.).

The Contractor participated in a meeting with Mr. Krit Sombatsiri of the National Economic Development Board, Dr. Fbrahim Shekarchi (a mineral's expert from the U.S. Bureau of Mines assigned for three months to the BOI by USOM), and Mr. Donald C. Marsden. The subject of the meeting concerned the findings and recommendations of Dr. Shekarchi.

The Contractor helped Mr. Pairote, Chief of the Information and Services Division to write a draft for a progress report on the study, "Management Education Needs in Southeast Asia." This was presented to the Ministerial Conference at Kuala Lumpur by H. E. Pote Sarasin, Deputy Prime Minister.

The Contractor and Mr. Pramote, Chief of the Economic Analysis and Evaluation Division collaborated on an export promotion proposal.

**V. Activities Related To The Duties Set Forth Under
Subparagraph B 1a (5)**

"Provide assistance in other areas of technical competence as industrial development specialist."

The Contractor collaborated with Mr. Pairote, Chief of Information and Services Division, to revise a brochure called "Thailand, Geographic and Economic Center of Southeast Asia."

A new series of pictures were assembled and this opportunity was taken to redesign of a regional map to high light geographic advantages of Bangkok as the administrative and distributive center for regional operations.

The Contractor assisted Miss Vanee, Chief of the Research and Statistics Division, who was recently appointed as the liaison officer between BOI and USOM, with problems related to the 1972 budget for BOI.

Mr. Donald C. Marsden, Mr. Somporn, Secretary-General of the BOI, Miss Vanee - the newly named Liaison Officer between the BOI and USOM and the Contractor met to discuss the thoughts of the new Secretary-General related to the proposed work plan of the Contractor for the subsequent quarter. Two days later, the Contractor provided an aide-memoire to Mr. Donald C. Marsden. The items therein became the basis for a letter from the Private

Enterprise Division of USOM to BOI.

The Contractor and Mr. Pairote arranged an itinerary to include stops in Manila and at the Ministerial Conference in Kuala Lumpur for the representative of Cresap, McCormick and Paget, the consulting firm contracted to perform the study of "Management Education Needs in Southeast Asia."

The Contractor participated in an evening conference on the establishment of a Southeast Asian capital market during which Mr. Reymundo Illusoria, Vice President of Bacom Investment Corporation of Manila, Philippines, informally presented some tentative proposals for Thailand's consideration.

The Contractor at the request of Mr. Pairote of the Information and Service Division directed the three persons who will be responsible for library activities of the BOI to analyze the various library systems in use in Bangkok and to present a summary of the strengths and weaknesses of the various systems. The results were presented to the staff meeting of the Office of the Board of Investment. The system selected for implementation in the BOI library is compatible with that of the Department of Science Library at the Ministry of Industry.

The Contractor at the request of the Thai Management Association helped provide diagnostic material for a "Management Audit" to be conducted in a large American refining company's Thailand operation.

The Contractor appreciated having had the opportunity to discuss some of the major aspects of the investment promotion situation in Thailand with Mr. Jonathan McCabe of AID/W (EA/CDF/PEID).

The Contractor feels the presence of USAID/W personnel for periodic on-the-spot reviews of programs and progress is a mutually beneficial event.

The translator - cum - librarian of BOI, Miss Swadi, has gathered several bibliographies in the fields of economics and technical subjects related to industrial investment. These will be consolidated and be used to develop lists of books to be purchased for the BOI library.

The Director-General of the Department of Technical and Economic Cooperation, Mr. Piew asked and received advice on several programs of graduate study in Industrial Administration in United States universities.

The Contractor was called upon by the Applied Scientific Research Corporation of Thailand to provide a few hours consultation to Mr. S. Skournal, a UNIDO short term electronics advisor.

The Contractor was assigned the task of developing subject headings for the agenda of a conference concerning "Cooperative Among Investment Promotion Agencies, " in Southeast and East Asia.

The conference, tentatively scheduled for November 15-17, 1971 in Bangkok, is to be hosted by the BOI. That Cabinet approval was requested and was recently granted. The initial interest was generated by UNIDO which resulted in participation by BOI and ECOGEN (Economic Center for Asia and The Pacific Region). It should possibly be noted here that Dr. Amnuay Viravan, the ex-Secretary-General of the BOI, is the Executive Director of ECOGEN.

VI. Projected Activities for July - September 1971 Quarter

The Contractor expects to continue to work in all of the areas listed in Sections I through V. Also a revised work plan will be developed by the Contractor based upon the redirected thrust of BOI efforts and the priorities as realigned by Secretary-General Somporn. However, at present, development of a firm work plan must be held in abeyance until the board rules on the re-orientation recommendations which have been developed by the division chiefs of Office of the BOI in conjunction with the Contractor.

- CONTRACT CALENDAR -

PIO/T 493-161-3-00054

CONTRACTOR ROBERT A. JACKSON, Ph.D.

AID/ea 121

1970

~~JULY~~ ~~AUG~~ ~~SEPT~~ ~~OCT~~ ~~NOV~~ ~~DEC~~

1971

~~JAN~~ ~~FEB~~ ~~MAR~~ ~~APR~~ ~~MAY~~ ~~JUNE~~

1971

JULY AUG SEPT OCT NOV DEC

1972

JAN FEB MAR APR MAY JUNE

*THE PRECISE CONTRACT STARTING DATE WAS
June 29, 1970

APPENDIX