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Sequence No. 493-2

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NONCAPITAL PROJECT PAPER (PROP)

COUNTRY: Thailand PROJECT NO. 493-11-290-161

SUBMISSION DATE: 5/21/71 ORIGINAL _____ REVISION NO. 1

PROJECT TITLE: Private Sector Development

U.S. OBLIGATION SPAN: FY 1965 through FY 1972

PHYSICAL IMPLEMENTATION SPAN: FY 1966 through FY 1974

GROSS LIFE OF PROJECT FINANCIAL REQUIREMENTS (000's):

U.S. Dollars	$3,265
Cooperating Country Counterpart	436
Cooperating Country Regular Budget	120
Total	$3,821

NONCAPITAL PROJECT FUNDING
(OBLIGATIONS IN $000)

Revision PROP Date: _____
Original
Rev. No. 1
Project No. 493-11-290-161

Table 1
Page 1 of 2
COUNTRY: Thailand

Project Title: Private Sector Development

Fiscal Years	Ap L/C	Total	1/ Cont	Personnel Serv. AID	PASA	Cont	Participants U.S. Agencies	Cont	Commodities Dir. U.S.	Cont.	Other Costs Dir. U.S.	Cont
Prior thru Actual FY 1970		2,381	1,186	525	19	1,186	646	-	5			
Operational FY 1971		854	515	105	-	515	234	-	-			
Budget FY 1972		30		30	-	-	-	-	-			
Total Life		3,265	1,701	660	19	1,701	880	-	5			

1/ Non-add.

NONCAPITAL PROJECT FUNDING ($000's)

Table 1
Page 2 of 2

Exchange rate $1 = ฿20

Project No. 493-11-290-161

Fiscal Years	AID-controlled Local Currency: U.S. owned	AID-controlled Local Currency: Country-owned 1/	Other Cash Contribution Cooperating Country 2/	Other Donor Funds ($ Equiv.)	Food for Freedom Commodities: Metric Tons (000)	Food for Freedom Commodities: CCC Value & Freight ($000)	Food for Freedom Commodities: World Market Price ($000)
Prior thru Actual FY 1970		299	120				
Operational FY 1971		132	-				
Budget FY 1972		5	-				
Total Life		436	120				

1/ Counterpart Funds.

2/ RTG Regular Budget.

I. Summary Description and Tabulation of Planned Inputs

This project is scheduled to be completed in 1972. Project emphasis continues to be the development and implementation of Royal Thai Government (RTG) policies to facilitate accelerated growth in private investment and expansion of the Thai private sector. The planning assistance proposed in this revision represents the last major element of assistance to be funded under this project. It provides a necessary transition step to other USOM FY 1972 projects supporting broadened programs of private enterprise development including the proposed new Private Capital Investment Development Project No. 493-11-950-232 (per congressional FY 1972) directed to better planned, adequately budgeted, coordinated Thai development action programs.

Preliminary estimates of the Thai National Economic Development Board (NEDB) call for capital formation in the Third Development Plan (1972-76) of Baht 222 billion of which two thirds or Baht 147.8 billion is expected to come from the private sector. This compares to total public and private capital formation in the Second Plan period of Baht 130.7 billion of which Baht 92.8 billion came from the private sector. During the Third Plan period, a 59% increase over the Second Plan will be necessary for private foreign investment, which will have to average between 100-200 million dollars yearly to meet plan goals. However, since 1969, Thailand's rate of growth of new investment has fallen sharply, and foreign exchange reserves are declining. Reduced investor interest is reflected by a drop in annual applications for investment promotion privileges of over one-third since 1968. While many obstacles must be overcome to remedy the situation and facilitate achievement of national goals, the critical needs are for improvement in investment attraction and development; availability of raw materials and markets, particularly export, for Thai production; and improved availability, terms and conditions of finance to support private sector growth.

There are as yet no detailed RTG private sector development plans which quantify targets and relative priorities as a basis for policy determination and action; provide for coordination between RTG agencies concerned; and which justify adequate allocation of RTG resources to carry them out effectively to meet national objectives. Key agencies of RTG recognize these needs and the importance of improving their capability to support private sector growth. Central planning units recently were established in the agencies most directly concerned with investment promotion and internal trade and exports; namely, the Board of Investment and the Ministry of Economic Affairs. These agencies have requested four long

term advisors to assist in plan preparation and the training of planning staff. These long term advisors would be augmented by short term experts to provide specialized assistance required to supplement their assistance and better assure success. In addition, the Ministry of Finance and the Bank of Thailand have requested a highly qualified short term advisor to assist them in evaluation of Thailand's broad financial requirements to meet Third Plan private sector growth goals, identify critical gaps and their relative priorities, and recommend focus for RTG policies and plans to facilitate mobilization of Thai capital for development.

USOM's small direct hire staff will (1) coordinate and monitor proposed and continuing contractor assistance under this project and (2) serve as catalysts to the program's success. On-the-job advisory assistance is supplemented by related participant training for government personnel now or expected to be in positions vital to the agencies' programs, and to a modest degree for carefully selected private sector managerial and professional personnel in industries whose development is important to the nation, as described in the prior PROP.

Participant training proposed in the PROP amendment and annex made up of three elements: (1) that necessary for completion of the project as described in the prior PROP and which will provide the underpinning of skills and information necessary for effective Thai private sector development action; (2) that important to efficient transition to future private enterprise development projects, and (3) that directly related to presently proposed advisory assistance. The first element includes: $23,400 for extension of prior year PIO/Ps, actuarial training for one Ministry of Economic Affairs staff; on-the-job training for two Board of Investment staff in industrial development techniques; and, on-the-job training in loan administration and financial practices etc. for four staff of the Small Industries Finance Office of the Ministry of Industry. The second category includes on-the-job training in industrial development policy and techniques for one member of the Industrial Economic Planning Division (IEPD) of the Ministry of Industry and academic training in economics for four members that division's staff; and, direct private sector training through a tripartite RTG, USOM and private sector association panel, as described in the previous PROP. The third element is academic training in economics for five MEA staff to supplement on-the-job training by planning advisors by improving the MEA staff's academic base to assume increased responsibility for policy evaluation and planning.

Funding Details

1. Contract Advisory Services	MM	Funding
a. Board of Investment		
--Industrial Development Adv.	25	$100,000
--Industrial Promotion Specialist	18	72,000
--3 short term industrial analysts	18	72,000
		$244,000
b. Ministry of Economic Affairs		
--General Policy & Planning Adv.	24	96,000
--Market Development Adv.	24	96,000
--3 short term experts (statistics, commodity pricing and facilities to support Thai production; organization and procedures.	16	64,000
		$256,000
c. Ministry of Finance		
--Senior Finance Advisor	3	15,000
Sub-Total		$515,000

2. Participant Training	Number	Funding
a. Extension prior year PIO/P's		$ 23,400
b. Ministry of Economic Affairs	6 LT	88,000
c. Board of Investment	2 ST	9,000
d. Ministry of Industry		
--SIFO	4 ST	12,000
--IEPD	1 ST 4 LT	57,500
Sub-Total		$233,900

3. Direct Hire Costs	$105,100
Total Funding approval requested	$854,000

II. Setting and Environment

The USOM, since the inception of U.S. aid to Thailand in 1951, has supported certain RTG and private sector efforts to accelerate Thailand's industrial development. However, the 1967 Private Sector Development Project Agreement was the first comprehensive agreement to identify more precisely the objectives and strategy for USOM support to the RTG and key elements of the Thai private sector. It also consolidated related projects dating from 1965. The project's long term nature, general areas of mutual interest and cooperation between the RTG and USOM, and the broad scope and type of assistance to be provided by USOM were expressed in the FY 1968-FY 1970 project agreements and the related PROPs. The project's emphasis continues to be the development and implementation of RTG policies to facilitate the expansion of the private sector of the Thai economy. The specific objectives sought are: (1) increased investment (both domestic and foreign); (2) improved capability and effectiveness of several RTG agencies and private institutions concerned with economic development; and (3) greater private sector involvement in the development process.

The basis for this project is the need for the private sector to play a major role in Thailand's development, generate the major portion of the financial and other resources necessary to meet Thai economic and social development objectives, and help provide a foundation for self-sustained political stability. NEDB preliminary estimates of total capital formation needed during Thailand's Third Plan period (1972-76) is ฿222 billion, two-thirds of which, or ฿147.8 billion, is expected to come from the private sector. This compares to the ฿130.7 billion total public and private capital formation in the Second Plan, of which ฿92.8 billion came from the private sector. During the Third Plan period a 59% increase over that in the Second Plan will be necessary for private foreign investment, which must average $100-$200 million annually to meet Third Plan goals.

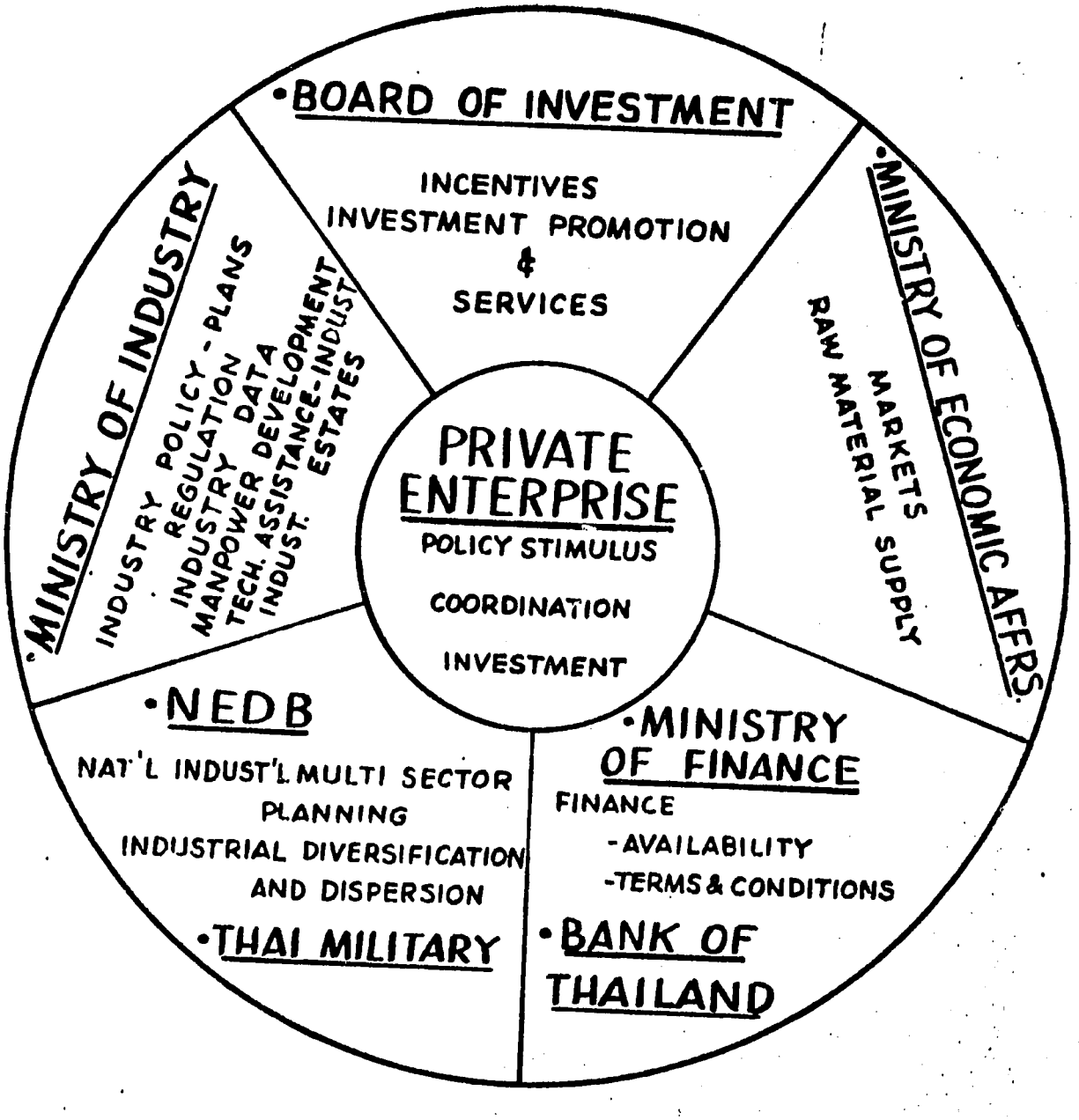
Prospects for meeting these goals are not bright. Since 1969 Thailand's economy has faced increasing difficulties, and the situation may worsen unless effective RTG remedial action is taken. The rate of growth of gross domestic product (GDP) at constant prices has fallen from 11.3% in 1969 to 3.6% in 1970, according to the lastest NEDB figures. Foreign exchange reserves are now being, and may continue to, run down at a rapid rate because of (1) increasingly adverse international market conditions for certain of Thailand's principal export commodities such as rice; (2) reduced U.S. military expenditures in Thailand; and (3) RTG policy,

legal and administrative restrictions, and other impediments to private enterprise development. Export expansion is further hampered by shortages in the availability of raw materials at economic prices at potential plant sites for domestic processing, and the need to improve markets and marketing channels for Thailand's commodities and manufactures. There is a corollary strong need for improved RTG policy formation and planning which (1) identifies specific export targets and priorities and means to achieve them, and (2) justifies the RTG resource allocation necessary to make this possible.

Interest in new private investment (both Thai and foreign) has declined, as reflected by a drop in applications for investment promotion privileges from 308 in 1968 to 191 in 1970. Based on the comments of potential investors and our own appraisal, the causes of the drop in foreign investor interest include political-military conditions in the region, reported heightened insurgency in Thailand, the economic slow-down in Thailand which started in 1970, and the existence of, and wide-spread international publicity regarding, investment impediments in Thailand. At the same time, other countries such as Singapore have been competing strenously and effectively for foreign investment. Unfortunately, Thailand lacks specific plans to achieve needed investment, allocates a negligible budget for promotional activities and has no strong overseas facilities actively seeking to attract investors.

A number of related significant obstacles to private enterprise development have been discussed in detail in previous program documents. Briefly stated, these include: difficulties in obtaining visas and stay permits for expatriate staff; difficult customs procedures and delays in full and effective rebate of duties on reexported materials and products; tariff and tax structural imbalances; inability of foreign investors without promoted status to own land; lack of industrial estates, customs free processing zones or bonded factory arrangements; inadequacies in communication, transport and warehousing facilities; inadequate incentives for export oriented industries; a lack of basic information needed for evaluation of investment opportunities; a need to improve the availability terms and conditions of local finance to support private enterprise growth; and, shortages of Thai skilled managers and technicians. These problems are further complicated by the multiplicity of RTG agencies and resultant red tape with which an investor must deal in establishing and developing a business in Thailand.

As described in previous project documents, a large number of RTG agencies and private institutions have a direct concern with and influence on these foregoing conditions. Among these agencies there are diverse opinions and positions as to relative priorities and needs for, and type and extent of appropriate government action with respect to resolution of individual issues affecting development of any given industry. The RTG, in general, recognizes these problems and the importance of improving the government's capability to facilitate private sector growth. The need for policy improvements to carry out these general intentions is recognized and initial steps are underway in a number of agencies. In doing this, the RTG has requested technical and financial assistance from a number of foreign governments and international institutions including A.I.D. Those RTG agencies possessing the key roles with respect to the most critical elements of the investment climate are identified in the following chart. In order to determine and effective implement improved policies to overcome the obstacles to private sector growth, these RTG agencies must quantify their plans and assign priorities in terms of the targets of Thailand's Third Plan, and subsequent national development plans. To be effective, individual agency plans must be coordinated, must justify adequate allocation of RTG resources to carry them out, and must enable and encourage private sector participation upon which successful achievement of end objectives is dependent.


•BOARD OF INVESTMENT
INCENTIVES
INVESTMENT PROMOTION
&
SERVICES
•MINISTRY OF ECONOMIC AFFRS.
MARKETS
RAW MATERIAL SUPPLY
•MINISTRY OF INDUSTRY
INDUSTRY POLICY - PLANS
REGULATION
INDUSTRY DATA
MANPOWER DEVELOPMENT
TECH. ASSISTANCE - INDUST
INDUST. ESTATES
PRIVATE ENTERPRISE
POLICY STIMULUS
COORDINATION
INVESTMENT
•NEDB
NAT'L INDUST'L MULTI SECTOR PLANNING
INDUSTRIAL DIVERSIFICATION AND DISPERSION
•THAI MILITARY
•MINISTRY OF FINANCE
FINANCE
-AVAILABILITY
-TERMS & CONDITIONS
•BANK OF THAILAND

III. Strategy

USOM continues, as described in the prior PROP, to concentrate its efforts in response to Thai initiative and to help improve the capability of key RTG agencies to facilitate private investment and industry growth. Focus is on provision of technical assistance in establishing and upgrading Thai capability to achieve (1) improved policies and planning necessary to meet national objectives, and (2) increased private sector contributions to this process. Important related objectives to make this achievement possible are improved allocation of Thai development resources and better coordination between RTG agencies and by them with the private sector. Actual technical assistance will be provided primarily by contractors supplemented by related participant training in the USA and third countries as covered in the previous PROP. Direct hire USOM staff will act as coordinators and monitors of assistance provided; and serve as catalysts to the program's success.

The project is designed to correlate with and support other AID programs in Thailand in such areas as agriculture, education and rural development. It complements, but does not duplicate assistance provided by other donor sources. The assistance currently proposed represents an important step in RTG transition to better planned and coordinated Thai private sector development programs. Improved management is expected to be accomplished through establishment of an RTG private enterprise development coordinating group. The group would include, in addition to the agencies being assisted under this PROP, the Ministry of Industry, NEDB and the Department of Technical and Economic Cooperation. As described in prior project documents, USOM is now providing, under prior year funding, the services of a contract advisor to the central policy and planning division of the Ministry of Industry, as well as participant training to key personnel in that agency. NEDB participation is important because of its role in evaluation of development projects proposed by RTG agencies and in preparing the overall national development plans for the RTG Cabinet. DTEC participation is based on its function as the RTG coordinating point for aid assistance to Thailand. This group might meet at least quarterly to: (1) review progress, both in this project and also in other areas of private sector development, (2) coordinate the various agencies' requirements for information and assistance and (3) set up inter-agency work groups to examine specific policy issues. This arrangement should also tend to assure allocation of adequate RTG budgetary and staff support to this project. USOM direct-hire staff would act in an advisory role to the group at least during the initial stages.

The assistance requested by the RTG, and proposed in this PROP, represents the last major element of contract advisory assistance to be provided under this project. It provides a necessary transition step to other USOM FY 1972 projects supporting broadened programs of private enterprise development including the proposed new Private Capital Investment Development Project No. 493-11-950-232 (per congressional) directed to better planned, adequately budgeted, coordinated Thai development action programs. Proposed assistance is directed toward improving policy and planning capability in: (1) investment attraction and encouragement by the Board of Investment; (2) expansion of raw materials supplies and markets (particularly export) for Thai production by the Ministry of Economic Affairs, and (3) improving the monetary environment and availability of finance to support private sector growth by the Ministry of Finance. Each of these elements of assistance is discussed separately in the following paragraphs.

A. Board of Investment

The BOI has primary responsibility for the attraction and development of investment in Thailand, and administers the Investment Promotion Act under which investment incentives are made available to new investors in industrial activities considered important to achievement of national goals. An in-depth examination of the BOI and investment promotion and development was made by the American Technical Assistance Company under a USOM contract in the fall of 1970. This company's report, entitled "Thailand - Problems of Planning and Promotion of Investment in the 1970's," pinpointed the problems in investment development and strongly recommended that a planning capability be established within the BOI to set targets and priorities and to create policies and plans which would justify adequate allocation of RTG resources to achieve investment objectives. It also recommended that the BOI seek technical assistance in doing so. The BOI accepted these recommendations and has since created a 4 man central planning unit made up of senior economists on their staff. This unit reports directly to the Secretary General of the BOI. The BOI has requested USOM advisory assistance to train these people and assist them in their evaluations and, as recommended by ATAC, preparation of the necessary detailed plans and budget justification.

The proposed assistance would complement, and its success would be reinforced by other assistance being provided the BOI. The Asian Development Bank has provided a 2-man advisory team to the BOI to install an improved system for the collection and analysis of statistical data. It is working with the Economic Analysis and Evaluation and the

Research and Statistics divisions of the BOI. The resultant improved flow of data and management information should enable the new planning unit to function with greater efficiency. UNIDO is also assisting the BOI with a series of short term advisors providing policy guidance on and identifying investment opportunities in specific industries. UNIDO has supplied three experts for three man months each for each of the past two years. This is expected to continue in the foreseeable future. The assignment of Robert Jackson, under an existing USOM contract, complements the proposed planning advisors assistance. Jackson's efforts in upgrading BOI staff performance in the divisions concerned with investor information and service and project evaluation should both assist the quality of research data used by planners and aid eventual implementation of plans.

B. Ministry of Economic Affairs (MEA)

The MEA has primary responsibility and authority for the development and regulation of Thai commerce and internal and external trade. It can play a critical role in private sector development through helping expand the markets (particularly export) for Thai production, and the availability of raw materials for industrial processing. It has the facilities, organizational framework and a governmental directive to do so. As indicated by the enclosed organization chart, its facilities include marketing, warehousing and transport organizations. For example, it can subsidize lower transport costs for certain commodities from rural areas to market centers, and can establish minimum prices to assure significant production of primary commodities. It could thus provide a critical link in the development chain from small scale production to commercial scale production and eventual rural industrialization. MEA actions cannot and should not supplant necessary reforms in other government agencies, but they could catalyze these reforms and private sector development.

The Minister has expressed his intention to transform the Ministry's past passive role of regulation of commerce to that of a more dynamic force issues, and improve the MEA's capability to carry out improved policies. Accomplishing this not only involves improvement of the many separate units of the Ministry and the carrying out of specific projects, but also a general reorganization to achieve best utilization of Ministry personnel, facilities and other resources.

At the MEA's request, USOM provided the short term services of a senior economist to help evaluate the Ministry's needs and recommend improvements. Professor Theodore Morgan's report submitted in the fall of 1970 entitled "A Report on Orienting the Ministry of Economic Affairs Toward Maximum Contribution to Thailand's Economic Growth" discussed basic policy issues, and emphasized the importance of improved centralized policy and planning within the MEA. As an important initial step in this direction the MEA recently reorganized the functions of two departments; namely, the Department of Commercial Intelligence and Department of Economic Relations. The changes became official in January 1971. The new functions of each of these departments as shown in the enclosed MEA organizational chart are self-explanatory.

The new Department of Commercial Intelligence now has responsibility for MEA policy and planning and related development of economic statistics. Its Director-General is the senior economist of the MEA and reports directly to the Minister, although administrative matters pass through the Under-Secretary's Office. He has a staff of 200 people, 50 of which are assigned specifically to policy and planning. Most of these young people have good academic backgrounds but little or no experience in the sophisticated planning which must be done. Based on this and Professor Morgan's recommendations, the Ministry has requested technical assistance in helping improve their capability. While assistance may be useful in a variety of specific projects with which the MEA is concerned, USOM agrees with the MEA that the assistance requested is the most essential need of the MEA and one for which the return on A.I.D. input would be the greatest.

The MEA has received assistance from the U.N. for the past several years, specifically a full time insurance advisor and occasional academic fellowships for MEA staff. USOM proposes to fund participant training in the U.S.A. for five of the MEA's staff in FY 1971 to supplement on-the-job training provided by the proposed advisors to the Department of Commercial Intelligence. This will be training in economics to improve the academic base of staff to assume increased responsibility for policy evaluation and planning.

C. Ministry of Finance

The Ministry of Finance, together with the Bank of Thailand (the central bank), are considered to be the dominant factors in Thailand's monetary environment. Their policies and action strongly influence Thailand's

ability to mobilize its financial resources, and directly affect the availability, terms and conditions of finance for private sector growth. Thailand's internal money market is extremely limited, and the policies of both the central bank and the commercial financial institutions are notably conservative. Loans are predominantly short-term and heavily based on collateral rather than business prospects. While steps are underway within the RTG to expand and improve operations of the Bangkok Stock Exchange, it is still a very limited vehicle for the raising of local equity participation in a new venture. The average cost of farm credit is estimated to continue to be about 43% per year as indicated by studies done by A. A. Rozental "Finance and Development in Thailand", Prager 1970, as well as that by C. W. Peters "Agricultural Credit and Marketing in Northeast Thailand") AID Contract - 1966) and others. Farm credit is principally available through unorganized channels. The Bank for Agriculture and Agricultural Cooperatives of the RTG makes production credit available to farmers at a rate of 12% interest per year, but is able to extend credit only to about 10% of the farmers, at an average loan per farmer of about $200. It is now seeking funds to enable expansion of its facilities to 30% of the farmers. Commercial banks extend very little farm credit due to (1) risks from natural disaster and (2) high administrative costs in relation to permissible interest rates on small loans.

An improved monetary environment is crucial to the success of any program of investment promotion, industrial growth and export expansion. As can be seen from the foregoing, there are many specific aspects of finance for which technical assistance might be useful and worthwhile.

In the past, the Ministry and the Bank of Thailand have occasionally obtained expert advice and assistance. In the last year, this included advice on taxes and tariffs from IMF advisors and advice on the development of the capital market from a senior academic advisor. At this time, however, the Ministry recognizes the greater importance of (1) an initial reevaluation of Thailand's private sector finance needs and priorities and (2) a program to improve the capability of the RTG and private financial institutions to support private sector development necessary to meet national goals.

As a first step the Ministry has requested that USOM provide the short term services of a high level, highly qualified, finance advisor to advise and assist the MOF and the Bank of Thailand, in consultation with the NEDB and private financial community, in evaluating Thailand's

OFFICE OF THE BOARD OF INVESTMENT PROMOTION

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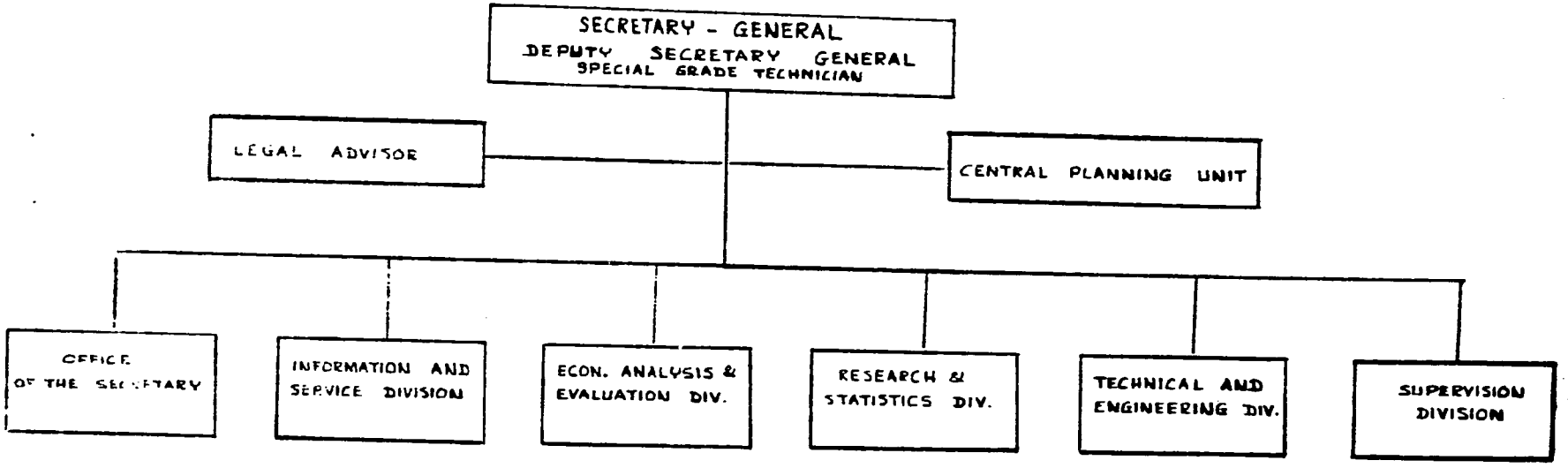

MINISTRY OF ECONOMIC AFFAIRS

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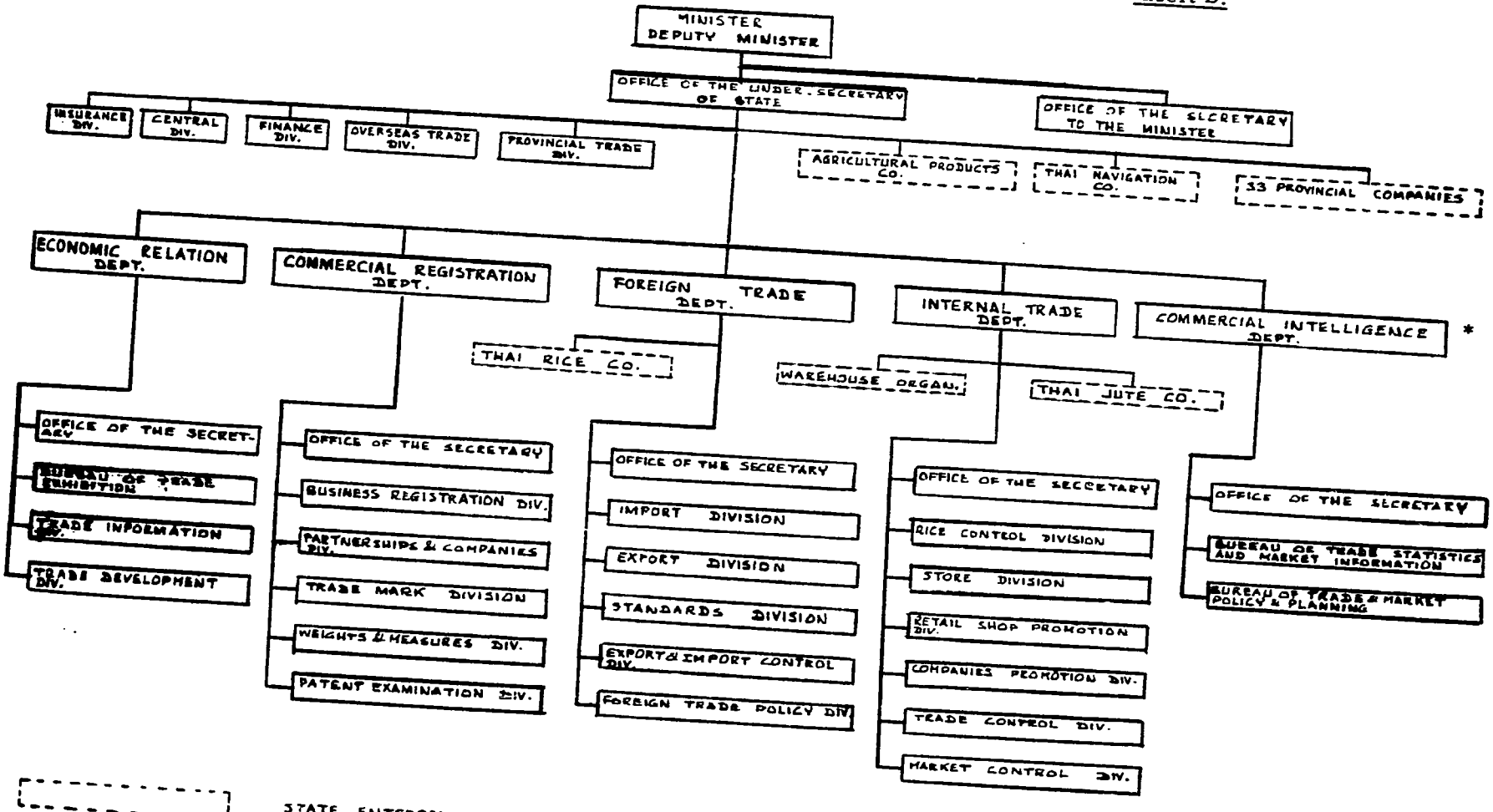

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MARCH, 1971

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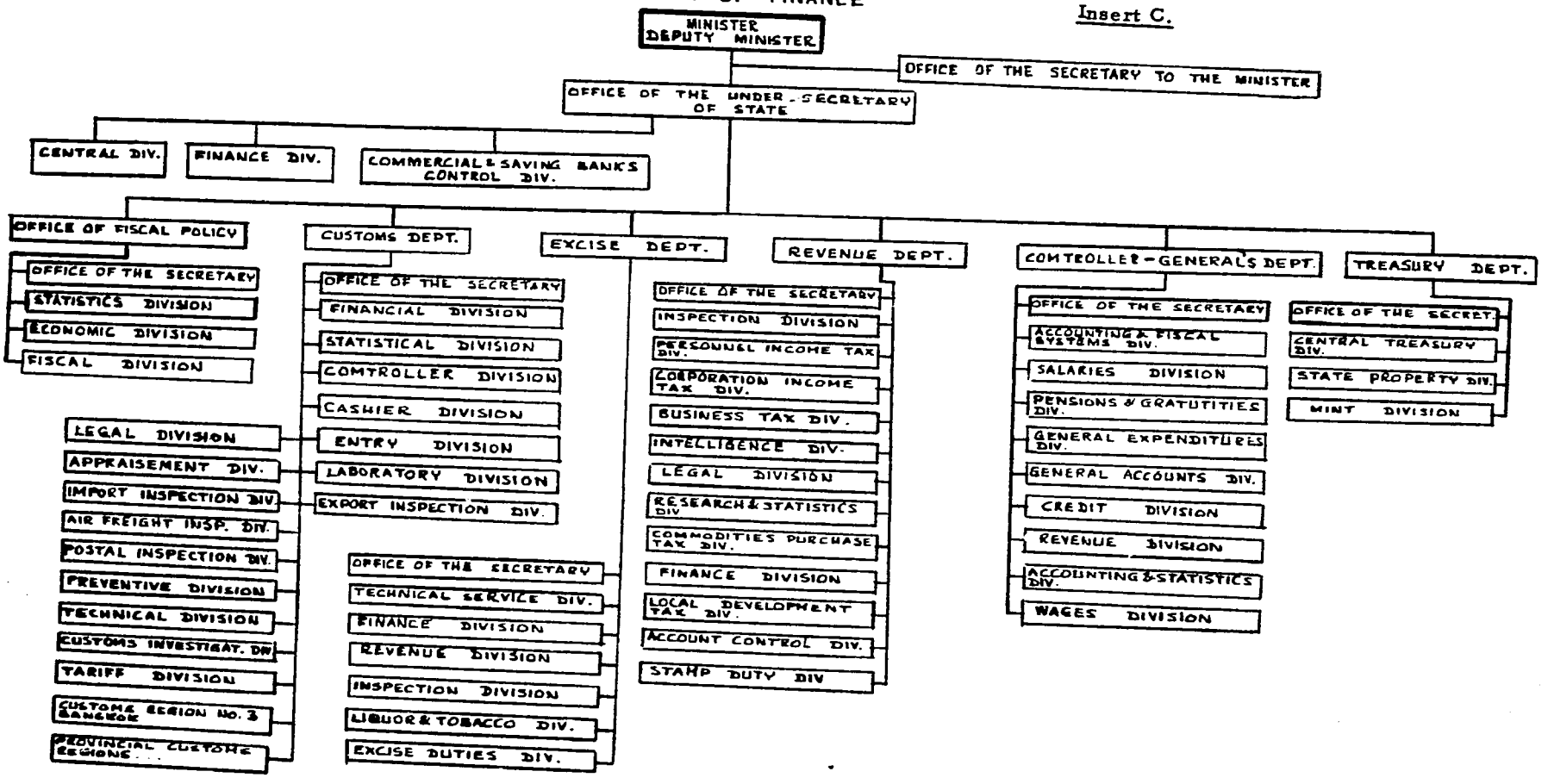
MINISTRY OF FINANCE



MARCH 19, 1971.

broad financial requirements to meet Third Plan private sector growth objectives. This will involve identifying critical gaps in the availability of finance and their relative priority and defining possible requirements for RTG policies and plans to facilitate mobilization of Thai capital for development.

Focus would be placed on identifying means for greater private sector contribution to solutions of critical development finance problems. The aspects of development finance to be included in this examination are monetary policies and banking practices as affecting development of priority industries; availability of long term financing; rural development banking and availability of finance in priority geographic areas; availability of agricultural credit from commercial institutions and suppliers; and institutional facilities to meet gaps in availability of priority development finance requirements.

The advisor will work with the staff of the Ministry's Office of Fiscal Policy and the similar center for policy and planning in the Bank of Thailand. It is expected that further assistance will be required as a result of this consultation.

IV. Planned Targets and Results

The specific targets and results expected within the agencies proposed to be assisted are described separately in the following paragraphs. The dates shown for achivement of results are based on a starting date in the fall of 1971 for the assistance described.

A. Board of Investment (BOI)

1. Targets: To improve BOI capability to attract and encourage the amount and types of private investment needed to meet national economic and social goals. The BOI has yet to establish specific quantified goals and relative priorities for new investment consistent with Thai national development plans, and has a negligible budget for investment promotion. It recently established a central planning unit, reporting to the Secretary-General, and assigned 4 economists to that functions These people lack experience in the type of planning necessary. The proposed advisory assistance to the unit is directed to establishing a policy and planning capability to develop a comprehensive action program

and plans for investment development (1) which justify adequate RTG budget allocation to carry them out, and (2) which are coordinated with the policies, programs and use of facilities of other key RTG agencies and private organizations concerned with private sector development.

2. Results Expected:

(a) Planning organization established and functioning with 4 BOI planners trained by 1973.

(b) Specific BOI investment targets and priorities set by mid 1972.

(c) Overall BOI plans and detailed plans to achieve investment for priority industries which contain specific targets and means to achieve them and which reflect coordination with other RTG agencies in their development and implementation. These plans should specify means to eliminate or reduce investment impediments, related to activity of other RTG agencies, and specify both physical and budgetary requirements.

(d) Plans should be completed by 1973 and budget requests sent to the Cabinet, which will enable carrying out plans developed with the advisor's assistance.

B. Ministry of Economic Affairs (MEA)

1. Target: To improve MEA capability and effectiveness in increasing markets, particularly export, and availability of raw material supplies for private enterprise commercial and industrial development necessary to meet national economic and social goals. Major sub-targets include increased Thai exports which contain a larger proportion of semi-processed and processed materials and improved supplies of raw materials at potential plant sites at economic costs through improved market channels and commodity price stabilization. The MEA acknowledges its need to better direct and align its use of personnel, facilities and other resources. It has yet to develop comprehensive plans which set specific goals and relative priorities as a basis for policy determination, and subsequent MEA organizational improvement and action to meet the foregoing targets.

The proposed advisory assistance is intended to assist the MEA improve its policy determination and planning capability (1) to facilitate the desired development, (2) which provides for coordination with other concerned RTG agencies and the private sector, and (3) which would justify adequate allocation of RTG resources to carry out plans effectively.

2. Results Expected

(a) New policy and planning organization effective with 25 planners trained by 1973.

(b) Specific production and export targets, priorities and key policy issues determined by mid 1972.

(c) Detailed plans to meet national targets and priorities established both overall and for specific products and areas and which reflect coordination with other concerned agencies completed by the end of 1972.

(d) Organizational improvements and arrangements necessary to carry out plans effectively identified by 1972.

(e) Budget necessary to carry out program submitted to Cabinet by 1973 which will enable carrying out plans developed with the advisor's assistance.

C. Ministry of Finance (MOF) and Bank of Thailand

1. Target: To strengthen the capability and effectiveness of the RTG and private financial institutions to improve the availability, terms and conditions of finance for private investment and development needed to meet national economic and social goals. Policies and regulations of the Ministry and the Bank of Thailand strongly influence the Thai monetary environment and private as well as public financial institutions facilities and practices, and the availability of monetary instruments common in other countries which might improve the mobilization of Thai private financial resources to support needed private sector growth. As described in the section on strategy, the range of possible requirements for attention is broad. As a first step, the short term services of a high level finance advisor would assist in making an overall appraisal

of Thailand's finance requirements to achieve the foregoing targets, identify critical gaps in the availability of finance and their relative priority, recommend a program of action for these agencies, and indicate potential requirements for technical assistance in carrying out that program.

2. Results Expected: A report crystalizing the advisor's findings and recommendations and related consultation between the advisor, the Ministry, the Bank of Thailand, NEDB and the private financial community which would set the stage for, and provide impetus to, achievement of the objectives outlined.

V. Course of Action

Proposed FY 1971 funds will finance contract advisory services for the Board of Investment, Ministry of Economic Affairs and the Ministry of Finance, four long term policy and planning advisors to provide on-the-job training will be supplemented by short term experts to meet specific specialized assistance needs identified as important to the success of general planning advisory services rendered by the longer term experts. Efforts of advisors attached to an individual agency will reinforce advisory results at the other agencies, since the plans of the separate agencies must dovetail for maximum effectiveness. These services will also complement other contract advisory assistance in policies, planning and research, and evaluation being provided by USOM to the Ministry of Industry and the BOI under prior year funding. On-the-job training assistance will be supplemented by related participant training.

The planning advisors, provided by AID, will assist personnel assigned on a full time basis to central policy and planning organizations in the RTG agencies concerned, as described in detail previously in sections III and IV of this PROP. They and their counterparts will draw also on the services of other staff in these agencies which are responsible for economic research and implementation of policies as appropriate and necessary to the development of these agencies' plans.

A. **Board of Investment**

61 man months of advisory services made up of: $244,000

--1 Industrial Development Economist	25 MM
--1 Industrial Promotion Specialist	18 MM
--3 Short term Industrial Analysts	6 MM each

B. **Ministry of Economic Affairs**

64 man months of advisory services made up of: $256,000

--1 General Policy and Planning Advisory	24 MM
--1 Market Development Advisor (emphasis exports)	24 MM
--3 Short Term Experts - 4 - 6 MM each on:	16 MM

a. Statistics
b. Price Supports and Stabilization
c. Organization and Procedures

C. **Ministry of Finance**

Senior Finance Advisor 3 MM $ 15,000

Total Advisory Assistance Funded $ 515,000

D. **Related Participant Training for MEA Personnel**

Academic Training in Economics 5 people $ 73,000

Total Assistance Funded $588,000

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Clearances:

AD/EDI:OIHauge: [illegible] date: 5/6/71

AD/P:CRFritz: [illegible] date: 5/11/71

DD:FFSimmons 78 date 5-21-71

Approved: [illegible] date: 5/21/71
Director

ANNEX 1

Private Sector Development Project

FY 71

Participant Training Annex

1. Objectives and Relation to Program

The participant training element of this project, the types of personnel, agencies assisted, and program justification are described in detail in prior project documents. In essence, it supports and extends on-the-job advisory assistance provided to achieve program objectives. The two general categories of participant training provided and the procedures used in determining and carrying out actual training are described briefly in the following paragraphs.

Participant training as indicated, is in two general categories; government agencies responsible for private enterprise development, and the private sector itself.

In the public sector the participant training program is an integral part of our overall program to improve the capability and effectiveness of key RTG agencies and institutions in establishing and implementing policies which constitute the most favorable climate for private investment and industry growth. Training assistance is directed to executive and operating level personnel in: (a) the functional areas of industrial/economic research and evaluation, planning, policy formulation, regulation and encouragement of industrial development and investment, (b) the development of professional skills in the development finance area; and (c) development of an in-country cadre of professionals, including engineering specialists, to in turn provide training and assistance to the private sector.

The agencies and specific types of training proposed to be funded in FY 1971 are shown in Section 3.

The training program is a blend of academic and on-the-job training in the U.S. and third countries and is planned to meet critical needs. It is designed to complement both direct on-the-job training provided in Thailand by USOM advisors and similar related assistance provided by other donor sources such as the U.S. and other individual foreign

governments. Attainment of academic degrees is not the primary focus of this training program. The principal objctive is to improve the capability of personnel now or soon to be in critical positions or carrying out important functions in the RTG organizational units which have a critical role in the achievement of the project's objectives. Similarly, selection of candidates is not based on excellence of their prior academic records, although ability to absorb training is a requisite for consideration. Individual's eligibility requirements for the program include his or her having had a substantive opportunity to become acquainted in depth with activities in his specific sphere of training interest which are going forward in Thailand, or his having reviewed the problems related to such activities. This would include up country travel, if appropriate.

Direct private sector training supports and complements that provided through the public sector as above. It is instituted in recognition of the urgent requirement for an increased supply of skilled management and professional and technical personnel in the private sector, if Thailand is to maintain the rate of economic growth and industrial investment necessary to meet development objectives. The program focus is on development of skills and modern techniques and viewpoints for application in critical industrial areas by personnel who can be classed as change agents. It is designed to provide practical on-the-job operational exposure and training to selected management and professional personnel in business management, marketing, finance and production techniques. A significant impact is anticipated for the relatively modest investment through the ripple effect generated by returned trainees spreading knowledge gained through example and by seminar discussions in their business and professional associations.

2. Procedures

Development of participant training programs for personnel in Thai Government agencies and institutions is done generally in the following manner.

The agency, with USOM's assistance, analyses its total requirements for training of professional and administrative personnel. Identification is made of the divisions, and within those the positions and functions, which are critical to major present and proposed programs; junior personnel whose training is important to the agency's long term supply of qualified personnel, if any. The number, type and duration of training

necessary for these personnel are examined together with the relative priority placed by the agency on these training requirements. The number of potential trainees which can be released for stated periods of time without impairing significantly the division's functioning is determined, and a schedule is made of training plans over a 3-5 year period. Sources and suitability of domestic provision of training and need for foreign training are examined. The end outline of foreign training requirements after approval by the Director General of the Department is forwarded to the Under-Secretary of State of the concerned Ministry for review and approval. The possibility of other foreign donors assistance are estimated and these plans are then again reviewed by the representative of other donors and USOM. The program tentatively agreed to be considered by USOM, Private Enterprise Division is reviewed with USOM's training and program planning staff and preliminary agreement reached on the basis of program justification and probable available budget, on a joint basis with similar plans from other RTG agencies and institutions being assisted. Following this, the tentative 4 year plan is reviewed on a preliminary basis without commitment with DTEC to enable it to anticipate counterpart budget requirements. This document also specifies tentative plans for private sector training which are drawn up concurrently. The plans do not become final until final review and approval of the PROAG and PIO/Ps, and at that time, selection of candidates is made by the agency subject to their meeting USOM criteria, including that stated under objectives.

Direct private sector training assistance is now being carried out through a joint Thai Government and private sector nomination, screening, and selection panel formed in August 1970 with USOM support. The Private Sector Training Panel is made up of representative of the following organizations which include the key RTG agencies concerned with industrial development and leading business associations.

Ministry of Industry
Board of Investment
Ministry of Economic Affairs
Department of Technical and Economic Cooperation (DTEC)
The Association of Thai Industries
Thailand Management Association
Business and Professional Women's Association
United States Operations Mission (USOM)

Actual processing of training assistance is accomplished by public announcements in the press and through panel member organizations outlining the type and nature of assistance available, eligibility and financial and other arrangements.

Candidates must be Thai nationals employed by Thai firms and not have received extensive recent overseas training. They must have sufficient command of the English language to absorb training which will be provided.

Applications must be made through Sponsor Organizations, which are represented on the Panel. Applications forms are available at the offices of those organizations. Applications are screened by Sponsoring Organizations as to candidates meeting minimum requirements and assurance of financial responsibility for international travel. The nominations by the Sponsors are reviewed and final selection made by the Selection Panel. This review takes account of those industries whose training needs are most urgent in the national interest, the relative training requirements and qualifications of individual candidates and related Sponsor Organization recommendations, and effective use of available funds in relation to varying duration of training programs. The firms from which the candidates come pay their international travel costs.

3. Course of Action

Participant training proposed to be funded in FY 71 under this Annex to the amendment of the prior PROP is as follow:

a. Summary

Government Sector	Number	Dollars
Board of Investment	4	20,000
Ministry of Industry	12	81,900
Ministry of Economic Affairs	1	15,000
Sub-Total	17*	116,900
Private Sector	10	44,000
Total	27	160,900

*Includes 5 participants being funded for 2nd year of academic training.

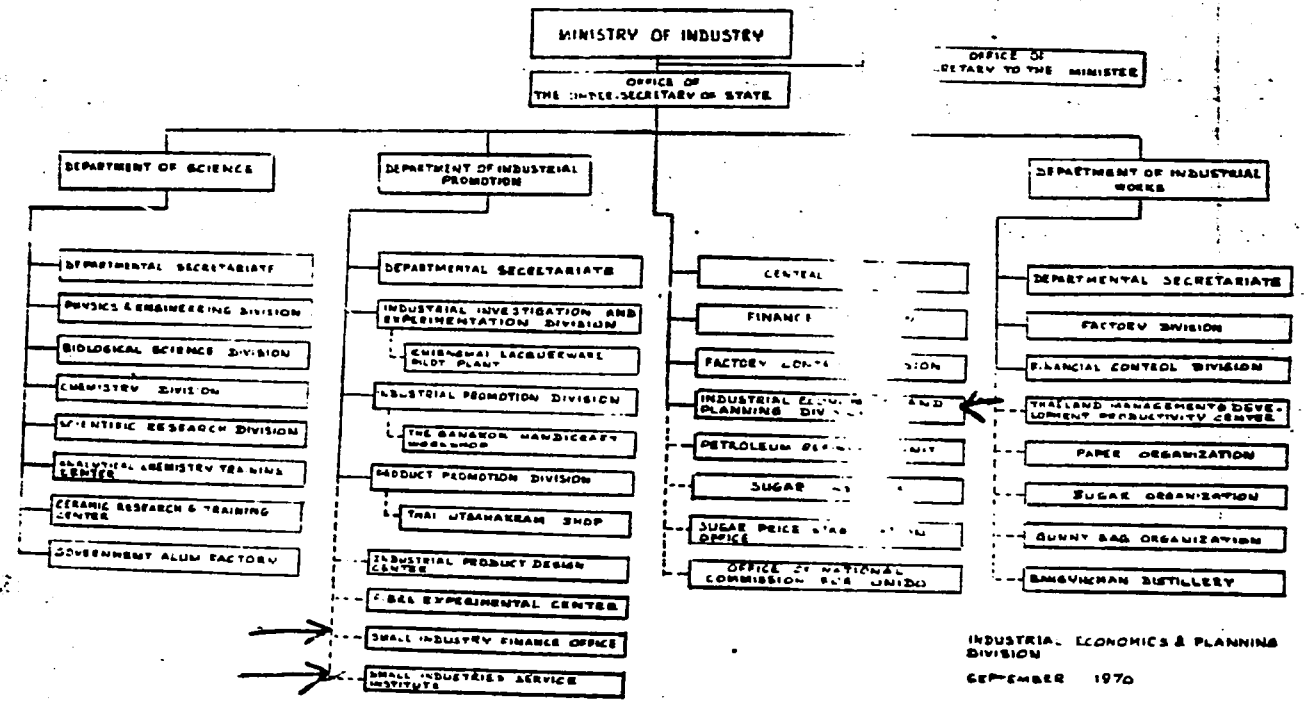
NOTE: Five MEA participants will receive academic training at a cost of $73,000 to supplement planning advisory assistance as covered under the FY 71 PROP Revision 1.

b. FY 1971 Funding Detail

Organization & Type Training	Type Funding	Length of Training	Number Candidates & Source Trng.	Thousands Dollars
MINISTRY OF INDUSTRY				
S.I.S.I.				
ACA Mechanical Engineering	EXT	-	1 AU	3.4
Industrial Design	EXT	-	1 AU	5.0
Industrial Economic	EXT	-	1 AU	4.0
S.I.F.O.				
OJT Loan Adm. & Small Bus. Dev.	NEW	26 wks.	1 AU	4.5
Financial Aids for Small Bus.	NEW	26 wks.	1 AT	3.5
Costing Accounting for Small Ind.	NEW	12 wks.	1 AT	1.5
Management Practices & Work Flow for Small Industry	NEW	26 wks.	1 AT	2.5
I.E.P.D.				
OJT Industrial Dev. & Policy Eva.	NEW	12 wks.	1 AT	1.5
ACA Economics	NEW	2 yrs.	3 AU	45.0
Industrial Engineering	NEW	1 1/2 yrs.	1 AU	11.0
BOARD OF INVESTMENT				
OJT Industrial Techniques	NEW	26 wks.	2 AU	9.0
ACA Economics	EXT	-	2 AU	11.0
MINISTRY OF ECON. AFFAIRS				
ACA Actuarial Science	NEW	2 yrs.	1 AU	15.0
PRIVATE SECTOR TRAINING PANEL				
OJT Management, Marketing and Production	NEW	12 wks.	10 AU	44.0
Marketing Techniques	NEW	12 wks.	1 AU	Self-financed
ACA (None)				

NOTE: AU = United States AT = Third Country EXT = Extension

Annex 2



→ indicates offices benefitting from Participant Program

ANNEX 3

Funding Requirements - FY 71
Private Sector Development

Technicians - Purpose	Man Months	Funding
1. Board of Investment:		
Industrial Development Advisor	25 MM	$100,000
Industrial Promotion Specialist	18 MM	72,000
Industrial Analysis (3 ST)	18 MM	72,000
	61 MM	$244,000
2. Ministry of Economic Affairs:		
General Policy and Planning Advisor	24 MM	$ 96,000
Market Development Advisor	24 MM	96,000
Three Short Term Experts On: Statistics, Price Supports & Stabilization, and Organization and Procedures.	16 MM	64,000
	64 MM	$256,000
3. Ministry of Finance:		
Senior Finance Advisor	3 MM	$ 15,000
Total Assistance		$515,000

Participants - Purpose		Number	Funding
1. Extensions of prior year PIO/Ps			$ 23,400
2. Ministry of Economic Affairs		6 LT	
a. New PROP related (economics)	(5 LT)		73,000
b. Prior PROP supported (insurance)	(1 LT)		15,000
3. Private Sector Panel		10 ST	44,000
4. Board of Investment			
a. Prior commitment (industry tech.)		2 ST	9,000
5. Ministry of Industry		5 ST & 4 LT	
a. SIFO (4ST)			12,000
b. IEPD (1ST - 4LT)			57,500
Total Participant Training			$233,900

Commodities - None

Total funding approval requested $748,900

NOTE: ST = Short Term
LT = Long Term (in Academic Training)

ANNEX 4

Counterpart Funding for Advisory Assistance

Financed in FY 1971

SUMMARY

		Trust Fund	Project Account	Total
A.	Board of Investment	760,200	247,200	1,007,400
B.	Ministry Economic Affairs	809,100	257,200	1,166,300
C.	Ministry of Finance	39,200	15,000	54,200
	Sub-Total	1,608,500	519,400	2,127,900
D.	Direct Hire Costs	523,672	-	523,672
	Grand Total	2,132,172	519,400	2,651,572

Counterpart Funds for FY 71 - Advisory Assistance

A. Trust Funds (Life of Project)

	No. of Children	Quarters Allowance	Education Allowance	Local Travel	Total
1. BOI					
Ind. Development Adv. (25 MM)	3	188,000	72,000	40,000	300,000
Ind. Promotion Specialists (18 MM)	3	141,000	54,000	30,000	225,000
Industrial Analysts (3 ST, 18 MM)		205,200	-	30,000	235,200
Sub-Total		534,200	126,000	100,000	760,200
2. MEA					
Gen. Policy & Plng. Adv. (24 MM)	3	188,000	72,000	40,000	300,000
Market Dev. Adv. (24 MM)	3	188,000	72,000	40,000	300,000
Three Short Term Experts On: (16 MM) Statistics, Price Supports and Organization and Procedures.		182,400	-	26,700	209,100
Sub-Total		558,400	144,000	106,700	809,100
3. MOF					
Senior Fin. Adv.		34,200	-	5,000	39,200
Grand Total					1,608,500

B. Project Account

1. BOI - Planning Advisors- (2 years)

2 secretaries @ ฿2,200/month each	฿105,600
2 drivers @ ฿600/month each	28,800
fuel @ ฿600/month each car	28,800
car maintenance @ ฿10,000/per year per car each.	40,000
Sub-Total	฿203,200
Local travel per diem - Thai (above)	30,000
Office supplies, stationery, document reproduction, etc.	14,000
Total	฿247,200

2. MEA - Planning Advisors (2 years)

2 secretaries @ ฿2,200/month each	฿105,600
2 drivers @ ฿600/month each	28,800
2 cars - fuel @ ฿600/month each	28,800
car maintenance @ ฿10,000/yr. each	40,000
Sub-Total	฿203,200
Local Travel per diem - Thais above	30,000
Office supplies, document reproduction, etc.	14,000
Office copy machine	10,000
Total	฿257,200

3. MOF - Senior Finance Advisor (3 months)

1 secretary @ ฿2,200/month	฿ 6,600
1 driver @ ฿600/month	1,800
Travel & per diem Thais	3,000
Office supplies	1,800
Total	฿ 15,000

Total Project Account	฿519,400

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UNCLAS SECTION 1 OF 2 BANGKOK 5858
AIDAC

SUBJ: PRIVATE SECTOR DEVELOPMENT PROJECT REQUEST FOR FUNDING APPROVAL

1. THE FY 71 PROP HAS BEEN REVIEWED AND APPROVED BY USOM. INVIEW TIME PRESSURES, REQUEST AID/W CONCURRENCE PROCEED PROAG WITH RTG BASED THIS CABLE. DETAILED PROP BEING POUCHED THIS WEEK. FUNDING AND PROP SUMMARY FOLLOW.

FUNDING (INCREMENT TO LIFE OF PROJECT)

	THOUSAND DOLLARS
A. U.S. DOLLARS	
PLANNING ADVISORY SERVICES	515
PARTICIPANT TRAINING	234
SUB-TOTAL	749
B. COOPERATING COUNTRY COUNTERPART (EQUIV.)	173

2. PROP SUMMARY

PROJECT EMPHASIS CONTINUES DEVELOPMENT IMPLEMENTATION RTG POLICIES FACILITATE ACCELERATED GROWTH PRIVATE INVESTMENT EXPANSION THAI PRIVATE SECTOR. PLANNING ASSISTANCE PROPOSED THIS PROP LAST MAJOR STAGE THIS PROJECT AND PROVIDES NECESSARY TRANSITION STEP OTHER USOM FY 72 PROJECTS SUPPORTING BROADENED PROGRAM PRIVATE ENTERPRISE DEVELOPMENT INCLUDING PROPOSED NEW PRIVATE CAPITAL INVESTMENT DEVELOPMENT PROJECT NO.493-11-950 (PER CONGRESSIONAL) DIRECTED TO BETTER PLANNED, ADEQUATELY BUDGETED, COORDINATED THAI DEVELOPMENT ACTION PROGRAMS.

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3. PRELIMINARY ESTIMATED NEDB THIRD PLAN (1972-76) CAPITAL FORMATION REQUIREMENT ARE BAHT 222 BILLION. TWO THIRDS OF THIS AMOUNT (BAHT 148 BILLION) EXPECTED FROM PRIVATE SECTOR WHICH COMPARES WITH TOTAL PUBLIC AND PRIVATE SECTOR CAPITAL FORMATION DURING SECOND PLAN OF BAHT 130.7 BILLION OF WHICH 92.8 BILLION FROM PRIVATE SECTOR. DURING THIRD PLAN PERIOD, 59 PER CENT INCREASE OVER SECOND PLAN NECESSARY IN NEW PRIVATE FOREIGN INVESTMENT (AVERAGING 100-200 MILLION DOLLARS YEARLY) TO MEET GOALS. SINCE 1969 THAILAND'S RATE OF GROWTH OF NEW INVESTMENT HAS DROPPED SHARPLY, FOREIGN EXCHANGE RESERVES DECLINING AND ANNUAL GROWTH RATE GDP AT CONSTANT PRICES DROPPED FROM 11.3 PER CENT TO 3.6 PER CENT. WHILE MANY OBSTACLES TO OVERCOME, CRITICAL NEEDS ARE FOR IMPROVED: (1) INVESTMENT ATTRACTION AND DEVELOPMENT; (2) AVAILABILITY OF RAW MATERIALS AND MARKETS, PARTICULARLY EXPORT FOR THAI PRODUCTION, AND (3) IMPROVED AVAILABILITY TERMS AND CONDITIONS OF FINANCE TO SUPPORT PRIVATE SECTOR GROWTH.

4. THERE ARE AS YET NO DETAILED RTG PRIVATE SECTOR DEVELOPMENT PLANS WHICH QUANTIFY TARGETS AND RELATIVE PRIORITIES AS BASIS FOR POLICY DETERMINATION AND ACTION, PROVIDE FOR COORDINATION BETWEEN RTG AGENCIES CONCERNED; AND WHICH JUSTIFY ADEQUATE ALLOCATION RTG RESOURCES TO CARRY THEM OUT EFFECTIVELY TO MEET NATIONAL OBJECTIVES. RTG GENERALLY RECOGNIZES THESE NEEDS AND IMPORTANCE IMPROVING CAPABILITY TO SUPPORT PRIVATE SECTOR GROWTH. CENTRAL PLANNING UNITS RECENTLY WERE ESTABLISHED IN AGENCIES MOST DIRECTLY CONCERNED WITH INVESTMENT PROMOTION AND INTERNAL TRADE AND EXPORTS; NAMELY, THE BOARD OF INVESTMENT AND MINISTRY ECONOMIC AFFAIRS. THESE AGENCIES HAVE REQUESTED TWO LONG TERM ADVISORS EACH TO ASSIST PLAN PREPARATION AND TRAINING PLANNING STAFF. THESE LONG TERM ADVISORS WOULD BE AUGMENTED BY SHORT TERM EXPERTS TO PROVIDE SPECIALIZED ASSISTANCE REQUIRED TO SUPPLEMENT THEIR ASSISTANCE AND BETTER ASSURE SUCCESS. IN ADDITION, MINISTRY FINANCE AND BANK OF THAILAND REQUESTED A HIGHLY QUALIFIED SHORT TERM ADVISOR TO ASSIST THEM IN EVALUATION OF THAILAND'S FINANCIAL REQUIREMENTS TO MEET THIRD PLAN PRIVATE SECTOR GROWTH GOALS, IDENTIFY GAPS AND THEIR RELATIVE PRIORIEIES, AND RECOMMEND RTG POLICIES AND PLANS TO FACILITATE MOBILIZATION THAI CAPITAL FOR DEVELOPMENT.

USOM'S DIRECT HIRE STAFF WILL (1) C[illegible]DINATE AND MONITOR RPOPOSED AND CONTINUING CONTRACTOR [illegible]ISTANCE UNDER THIS

PROJECT; (2) SERVE AS CATALYST TO PROGRAM'S SUCCESS. ON-THE-JOB ADVISORY ASSISTANCE IS SUPPLEMENTED BY RELATED PARTICIPANT TRAINING FOR GOVERNMENT PERSONNEL NOW OR EXPECTED TO BE IN POSITIONS VITAL TO AGENCIES PRIGRAMS, AND TO MODEST DEGREE FOR CAREFULLY SELECTED PRIVATE SECTOR MANAGERIAL AND PROFESSIONAL PERSONNEL IN INDUSTRIES WHOSE DEVELOPMENT IS IMPORTANT TO THE NATION, AS DESCRIBED IN THE PRIOR PROP.

4. PARTICIPANT TRAINING PROPOSED MADE UP OF THREE ELEMENTS, (1) THAT NECESSARY FOR COMPLETION OF THE PROJECT AS DESCRIBED IN THE PRIOR PROP AND WHICH WILL PROVIDE THE UNDERPINNING OF SKILLS AND INFORMATION NECESSARY FOR EFFECTIVE THAI PRIVATE SECTOR DEVELOPMENT ACTION; (2) THAT IMPORTANT TO EFFICIENT TRANSITION TO FUTURE PRIVATE ENTERPRISE DEVELOPMENT PROJECTS, AND (3) THAT DIRECTLY RELATED TO PRESENTLY PROPOSED ADVISORY ASSISTANCE. THE FIRST ELEMENT INCLUDES; $23,400 FOR EXTENSION OF PRIOR YEAR PIO/PS, ACTUARIAL TRAINING FOR ONE MEA STAFF; ON-THE-JOB TRAINING FOR TWO BOI STAFF IN INDUSTRIAL DEVELOPMENT TECHNIQUES; AND, ON-THE-JOB TRAINING IN LOAN ADMINISTRATION AND FINANCIAL PRACTICES ETC.
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TO SECSTATE WASHDC 4302

UNCLAS SECTION 2 OF 2 BANGKOK 5858

AIDAC

SUBJ: PRIVATE SECTOR DEVELOPMENT PROJECT REQUEST FOR FUNDING APPROVAL

FOR FOUR STAFF OF THE SMALL INDUSTRIES FINANCE OFFICE OF THE MINISTRY OF INDUSTRY. THE SECOND CATEGORY INCLUDES ON-THE-JOB TRAINING IN INDUSTRIAL DEVELOPMENT POLICY AND TECHNIQUES FOR ONE MEMBER OF THE INDUSTRIAL ECONOMIC PLANNING DIVISION (IEPD) OF THE MOI AND ACADEMIC TRAINING IN ECONOMICS FOR FOUR MEMBERS THAT DIVISION'S STAFF. AND, DIRECT PRIVATE SECTOR TRAINING THROUGH TRIPARTITE RTG USOM PRIVATE SECTOR PANEL, DESCRIBED IN THE PREVIOUS PROP. THE THIRD ELEMENT IS ACADEMIC TRAINGING IN ECONOMICS FOR FIVE MEA STAFF TO SUPPLEMENT ON-THE-JOB TRAINING BY PLANNING ADVISORS BY IMPROVING STAFF'S ACADEMIC BASE TO ASSUME INCREASED RESPONSIBILITY FOR POLICY EVALUATION AND PLANNING.

FUNDING DETAILS

1. CONTRACT ADVISORY SERVICES:	MM	FUNDING
A. BOARD OF INVESTMENT		
INDUSTRIAL DEVELOPMENT ADV.	25	$100,000
INDUSTRIAL PROMOTION SPECIALIST	18	72,000
3 SHORT TRRM INDUSTRIAL ANALYSTS	18	72,000
		$244,000
B. MINISTRY OF ECONOMIC AFFAIRS		
GENERAL POLICY & PLANNING ADV.	24	96,000

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MARKET DEVELOPMENT ADV.	24	96,000
3 SHORT TERM EXPERTS (STATISTICS, COMMODITY PRICING AND FACILITIES TO SUPPORT THAI PRODUCTION ORGANIZATION AND PROCEDURES.	16	64,000
		$256,000
C. MINISTRY OF FINANCE		
SENIOR FINANCE ADVISOR	3	15,000
SUB-TOTAL		$515,000

2. PARTICIPANT TRAINING	NUMBER	FUNDING
A. EXTENSION PRIOR YEAR PIO/P'S		$ 23,400
B. MINISTRY OF ECONOMIC AFFAIRS	6 LT	88,000
C. BOARD OF INVESTMENT	2 ST	9,000
D. MINISTRY OF INDUSTRY		
SIFO	4 ST	12,000
IEPD	1 ST 4 LT	57,500
SUB-TOTAL		$233,900
TOTAL FUNDING APPROVAL REQUESTED		$748,000

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