



IDRC - Lib. 105093



INTERNATIONAL DEVELOPMENT RESEARCH CENTRE
CENTRE DE RECHERCHES POUR LE DEVELOPPEMENT INTERNATIONAL

MEMORANDUM

TO: M Tremblay
FROM: S Mukerji
OUR REF: TRSM/0786
SUBJECT: Visit to Technology Transfer Centre, Ministry of Science, Technology and Energy, Industrial Services Institute, Metal Industries Development Institute and Furniture Design and Training Centre, Bangkok, 11th June 1986

DATE: 17 June 1986

YOUR REF: 86-2017

3-A-86-2017

Technology Transfer Centre (TTC), Ministry of Science, Technology and Energy

At TTC, we met Mr Narong Rattana, the Director and two of his colleagues. TTC is involved at policy level as well as in problem solving for industries and in introduction of new technologies in Thailand. For the later two activities, TTC involves Universities on contract basis.

Mr Narong offered full support for the proposal. He told us that TTC resources (especially as requested by the research team for the purpose of survey) would be available for the project if approved. He expressed his desire to participate in the project. I believe inclusion of Mr Narong in an active way in the project would be an asset.

Industrial Service Institute (ISI)

Industrial Service Institute provides technical assistance and training for entrepreneurs as well as employees. We met Mr Insorn Pinkayan, Director, ISI. Mr Insorn thought the proposed research was very good and promised to provide any support including services of his Industrial Extension Officers (IEOs) for survey purpose. He thought the idea of using IEOs for survey purpose was innovative. Their involvement at an earlier stage would make it easier to implement results of the research as they would be the contact persons with the SMEs.

We were taken to units within ISI which provide training and technical assistance to SMEs. These were Metal Industries Development Institute (MIDI) and the training and design centre for furniture industry. MIDI's Chief, Dr Damri Sukhotanang told us the present workshop and other facilities would soon be moved to new premises which would have new equipment supplied by Japan International Cooperation Agency (JICA).

The unit which provides service to the furniture industry is headed by Mr Nuntapit Nakasarun. It is a very impressive set-up which provides training to owners of potential and retraining owners and employees of existing businesses. Its design centre has designed many modern models including 'knock down' variety of furniture. Unfortunately, because the unit is not allowed and/or encouraged to sell its services, there is no efforts made to cost the prototypes.

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The unit also provides testing services to the industry again at no cost.

Both Mr Nuntapit and Dr Damri agreed with their Director with regard to the subject of the proposal and cooperation with the research team.

cc: Aung Gyi

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TO: M Tremblay
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We went back to DIP to meet Mr Thamnu Vasinonta, Director of Thailand Management Development and Productivity Center (TMDPC) and Ms Prani, Chief of Industrial Development Center as suggested by the Deputy Director General of DIP on the 10 of June. Mr Thamnu was happy that the proposal had received support from other Departments. He indicated that TMDPC would provide full cooperation to the project if approved.

Next step is for the Saskatchewan team to prepare a draft and send it to Ms Prani. She would provide her input and discuss the proposal with Professor Sarkar when he visits Bangkok on other business. We would aim to present the proposal to the BOG in October.

cc: Aung Gyi

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MEMORANDUM

TO: M Tremblay
FROM: S Mukerji
OUR REF: TRSM/0786
SUBJECT: Visit to Department of Industrial Promotion (DIP), Bangkok, 10 June 1986
3-A-86-2017

DATE: 17 June 1986
YOUR REF:

Mr Ravi Maithel of Saskatchewan Research Council (SRC), Mr Shahabuddin Faruque of Technonet Asia and myself had an appointment with Mr Visit Noiphan, Director General of DIP. Unfortunately, the same morning, he was taken quite ill and was admitted to a hospital. We met Ms Prani Obhasanond, Chief of Industrial Development Centre (IDC) who has been identified as the Principal Researcher from DIP.

During this meeting, we received background information about DIP, IDC and Small and Medium Size Enterprises (SMEs) in Thailand.

DIP has, as the name suggests, mandate to promote industrial development in Thailand. IDC is a new edition to institutions under DIP. It has a mandate of development and improvement/expansion of SMEs in Thailand. Under a temporary arrangement at present, IDC is operating under the Director, Thailand Mangement Development and Productivity Center (TMDPC). We were told IDC would be soon taken out of TMDPC and would function as any other DIP institutions.

We were told that there is no official definition for small, medium and large industries in Thailand. However, the Ministry of Industry, by convention, uses the following definitions:

(a) Tiny - or cottage industry:

Employs less than 10 persons. These are generally run by craftsman and staffed by unpaid family members.

(b) Small-scale enterprises:

Employs 10 to 49 persons. These enterprises could use some modern techniques while retaining traditional characteristics in majority of cases.

(c) Medium Scale Enterprises:

Employs 50-199 persons. These enterprises mostly use (although sometimes outdated by world standards) modern technology and have greater access to market and institutional credit. The complexities of technology in use (compared to samll-scale enterprises) requires more than one 'layer' of employees.

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(d) Large Scale Enterprises:

Employs more than 200 persons.

SMEs make very significant contribution to Thailand's economy. Small scale industry dominates the manufacturing sector and is growing at a faster rate than medium and large scale industries. During the five year period between 1978 and 1983, the total number of enterprises in the manufacturing sector in the country grew from 60,384 to 91,214. Out of these, 96 percent were small industries. In terms of employment, SMEs contribute (1980 figures) over 64 percent of the total employment in the country.

During our meeting, we were also joined by Mr Thamnu Vasinonta, Director, Thailand Mangement Development and Productivity Center (TMDPC). Under a temporary arrangement, Mr Thamnu is the immediate boss of Ms Prani. Mr Thamnu expressed his support for the proposal and promised TMDPC's cooperation.

Later on, we had a meeting with Mr Ari Indhasorn, Deputy Director General of DIP. Mr Ari told us that the Director General had asked him to convey to us full cooperation from the Department. Mr Ari also told us that the government is committed to expansion and upgrading of SMEs and the proposed study would provide good support to this policy. This intention of Government's support would be exphasised in the Sixth National Plan to be introduced later this year. In terms of sectoral importance, Mr Ari agreed with the Small Industries Association's assessment (ie Food processing, wood and furniture, metal industry and textile material). Mr Ari suggested that we meet with Mr Thamnu and Ms Prani again after we have had a chance to meet with other related agencies for their reaction. We decided to meet during the later part of the afternoon of Wednesday, the 11th of June.

cc: Aung Gyi

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MEMORANDUM

TO: M Tremblay
FROM: S Mukerji
OUR REF: TRSM/0786
SUBJECT: Meeting with officials of Small Industries Association (SIA), Thailand, Bangkok, 10th June 1986
3-A-86-2017

DATE: 17 June 1986
YOUR REF:

Before deciding to support the visits of Mr Maithel and Mr Faruque to Bangkok, we had an understanding with Department of Industrial Promotion, Thailand that we would meet with as many interested organisations as possible during our brief visit. I had insisted on this so that we may get the reaction of these organisations to the proposal and possibility of their involvement in the project (if we decided to support it) in some capacity. Thus, we started our meetings in Thailand with SIA to see what was their reaction to the research objectives as put forward by the Department of Industrial Promotion (DIP) and Technonet Asia.

Present during our meeting besides Mr Maithel, Mr Faruque and myself were Mr Chalerm Chai-Ananvanich (Kongkayen), President SIA, Mrs Kai Kaen Ussin, Director SIA, Mr Charoon Chartsuwan, Director SIA and three other businessmen. Mr Chalerm is also Secretary of Handicraft Promotion Association of Thailand.

SIA has 1,260 members in all of Thailand, 60 percent of which are in Bangkok while the rest are in the up country region. All member industries are in manufacturing. Eighty percent of the members are involved in export. Processed food is the biggest item of export.

The members contact the Board of Directors of SIA in case they require assistance. Each of the twenty-one directors have expertise in certain areas. The director concern evaluates the submission and decides on which agency to contact to obtain assistance. SIA deals in regular basis with Ministry of Industry, Department of Commerce, Export Promotion Agency, Ministry of Agriculture, University of Agriculture and other regional universities.

With respect to the proposal, all present agreed that it was important to improve relationship between SMEs and SME support institutions. We were told that although there were a sufficient number of institutions under various ministries and departments set up to help SMEs, there was no coordination between these agencies. Many of the agencies also did not have representations outside Bangkok. Mr Chalerm thought the idea of actually implementing the findings of the research as a possible II Phase, was a good one. He thought his members would be willing to participate provided government departments were involved. There were some questions of 'secrecy' of industrial processes, however, SIA's experience with government departments thus far has been good and members have no complaints with relations to leakage of confidential information given to these departments.

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We visited a showroom of furniture produced by Mrs Kai's factory. These furniture (mostly made of teak) were of excellent quality made from kiln dried wood. They were, however, of very traditional design and very heavy. Most of Mrs Kai's export was in the SEA region.

cc: Aung Gyi

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