

Personnel Management Association of Thailand (PMAT)

Bangkok, Thailand
September 2, 2015

1. Current economic and political situation in the country

Economy and labor market situation

According to Minutes of the Monetary Policy Committee Meeting of the Bank of Thailand (source: https://www.bot.or.th/Thai/MonetaryPolicy/MonetPolicyComittee/ReportMPC/Minute_N2/MPC_Minutes_52015_M7875.pdf) released on August 19th, 2015, Thai economy, in the second quarter of this year, recovered at a pace close to what projected. Nevertheless, the economic outlook was subject to more negative factors, leading to a slight downward revision of the growth projection for 2015. However, the main drivers of growth would continue to come from the service sector, particularly higher-than-expected improvement in tourism, and public investment spending. As shown previously in July 2015 that, as projected, Thai economy could expand 3.0% from tourism, especially from China and Malaysia, which will positively enable related business such as hotel and restaurant, and transportation to expand.

Nonetheless, they could not fully offset the weaker momentum of domestic demand and exports of goods amid two main factors restraining economic recovery:

1. The slowdown in the Chinese and other Asian economies which should subject exports of goods to further contraction, although the recent weakening of the baht might help exports to some extent
2. Domestic drought which could weigh down the already-weak recovery of private consumption through a decline a farm income and private confidence.

Therefore, due to the fragile economic recovery, most firms tend to delay investment to expand production capacity.

Headline inflation continued to stay in the negative territory, roughly -0.6% as projected, due mainly to energy cost. However, it was likely to have bottomed out and was expected to gradually pick up in the second half of the year as the base effect of high oil prices should begin to wane. Nonetheless, the period at which headline inflation was expected to turn positive might be delayed as a result of more subdued demand-side pressure and slower-than-projected global oil price recovery.

According to the results of Labor Force Survey in July 2015 of National Statistical Office (source: http://web.nso.go.th/en/survey/data_survey/070815_summary_July58.pdf), there are population, aged 15 years and over of about 55.26 million persons. Of these 38.62 million were in the labor force or available for work (38.10 million were employed, 0.39 million were unemployed and 0.13 million were seasonally inactive labor force), while 16.64 million were not in the labor force or not available for work, such as housewives, students or elderly.

In July 2015, the total number of unemployed persons were 0.39 million or 0.10% of the total labor force and increased from 379 thousand to 385 thousand comparing to the same period as in 2014. And, it showed an increase from 322 thousand to 385 thousand in June 2015.

For level of educational attainment of unemployed persons in July 2015, it was found that most of them had higher level (152 thousand or 1.8%), followed by those with lower secondary level (87 thousand or 1.4%), upper secondary level (78 thousand or 1.3%), primary level (46 thousand or 0.6%) and no schooling and incomplete primary level (22 thousand or 0.2%).

Political situation

After a year of Country Reform under The National Council for Peace and Order (NCPO), Thailand was back to normal even under the Martial Law after months of demonstrations and violence to demonstrators. Majority of people welcome the military government which committed to get rid of corruption which is the most critical and long-rooted problem in Thai political system. Initially, the military government plans to have the general election by this year but as the country reform is not yet done due to the resistance from the former power group, the vote may be done to survey Thai people consent to extend the tenure of military government. As surveyed by the National Institute of Development Administration, 55.30% of population may vote for tenure extension. Many committees had been set up to amend the constitutional law. The NCPO announced that they would be moving forward with a clear vision during 2015-2020 that they would make Thailand to Stability, Prosperity and Sustainability. The new draft of Constitution is on process under the Constitution Drafting Committee (CDC). It was concluded that under the new charter the National Reform Council (NRC) and the CDC will continue to function until the House of Representatives convenes its first meeting.

Despite the request from some Western countries to Thai Military government to have the election as soon as possible, there are polls which conducted by the major universities showing more than 75% of the respondents trusted in the government, consent to the performance of Chief General Prayuth Chan-ocha as the PM, and do not want to be hurried for election. Nobody gets harmed from martial law except for those who stands against the laws, peace, and order of the nation.

The political situation in Thailand has been a calm one for a year until the recent explosion that killed 20 people and injured hundreds of people in Bangkok's business center, Ratchaprasong, on 17th August. This may be considered as one of the worst violence done to innocents in Thailand and is, therefore, reasonable to be condemned as epic inhumane act of the weaklings. The incident surely makes people panic. But the close observation of the incident finds that despite the fear and panic during explosion, people do strongly hold hands together and instantly help and take care of each other. It also reveals the strong bond between our people, both Thais and those living in Thailand, as shown in media and social media. It is clear that fear is left to the people no more.

In short, it is making sense to say, as being a Thai, that despite whatever violence done to our people by whoever may not harm the courage, spirit, and love of our people to our homeland.

May the souls of those left in the explosion of August 17th may rest in peace and the thought of Thai people is with the family of the affected.

2. HR challenges

As surveyed, the 5 main future challenges facing the HR profession in Thailand are:

- HR & People Strategies

- Learning & Development
- Leadership Development
- Reskilling HR / Reinventing HR
- Performance Management

3. PMAT projects and initiatives

- PMAT is now surveying for Thailand HR Trends and Challenges in 2016 which is now during data gathering process. The survey aims, first, at gathering opinion of both HR and Non-HR persons on future challenge, current capability, and level of effort dedicated to HR functions and issues, and, lastly, at comparing the trends and challenges found domestically with those internationally.
- For 15 years, PMAT conducts compensation and benefits survey on annual basis with growing number of organizations participating in the survey. This year approximately 250 companies from 15 industry groups share information in the survey. The result will be released in November 2015.
- Diversity issues, especially transgender group, have been in concern of working society for quite sometimes. Currently, we can recognize that more and more top companies are open more job opportunities and recognition for the LGBT persons. Moreover, some companies also provide benefits for LGBT persons' spouse.
- In terms of HR innovations and technology, more and more companies adopt and blend technology in their organizations both to facilitate work and keep jobs in organization connected to achieve efficiency, effectiveness, and customer satisfaction. More HR professionals are adopting these highly advanced technologies into HR functions and they are more aware of the importance of data they have on hand.

4. Scheduled Conferences

- PMAT HR Day 2015 (November 2015)
- PMAT's 50th Anniversary (Postpone to February 2016)
- PMAT's Annual Meeting and New Management Board Election (March 2016)
- Thailand HR Forum 2016 (June 2016)

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Personnel Management Association of Thailand