

# Thailand's Eastern Economic Corridor (EEC): According to Thailand 4.0 Economic Policy

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Received: March 7, 2020 Revised: April 30, 2020 Accepted: April 30, 2020

## Abstract

The research Eastern Economic Corridor: According to Thailand 4.0 Economic Policy was the depth-study insight the Mega Project of Thailand in Eastern Special Development Zone Act, 2018 (ESDZ Act 2018) purposing Thailand 4.0 to be the modernization country in the next decade. It focused on the specific issue of the relationship between Thailand Eastern Economic Corridor and Thai Economic Policy. The methodology was qualitative method, explored through subsequent interviewing, in-depth interviews of experts in the fields, across the fields and other key informants. By the result of the study that accorded to research objectives, research was found out the current situations of EEC which impact on Thailand Development and more effective ways to innovate Eastern Special Development Zone for Thailand development, all key informants explain more to be concern with EEC and Thailand Economic Policy. Considerably, Thailand is the perfect channel to the potential region which known as the key geographical gateway to one of the most prosperous regions in the world.

**Keywords:** Eastern Economic Corridor (EEC), Thailand 4.0, Economic Policy

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## Introduction

In the 21st century, many countries have recently rolled out innovation strategies to transition to an advanced innovation and new engines of growth. Thailand, in turn, has been promoting successive economic development schemes for over 50 years, successfully becoming an upper-middle income country. From 1957-1993, Thailand's GDP grew at a constant annual rate of 7 to 8 percent, however, from 1994 until now, growth has moderated to between 3 to 5 percent annually. (BOI; Thailand Investment Review: January 2017 Vol.27 no.1) To push Thailand into Thailand 4.0. The Eastern Special Development Zone (ESDZ) (changed from previous names Eastern Economic Corridor: EEC by The Act 2018) was set up as a strategic plan to attract foreign investors to invest in 10 target industries. This is expected to help push the country forward. As a result, the problem statement are the challenge to consider it is possible for this project to be completed or not. Moreover, which are intends to take advantage of the presence of this project. Alternatively, how are resistance of the local level, political disturbances and other issues? Additionally, which has been facing problems with the mobilization of subject amount of capital.

## Research Questions

This research will attempt to answer the following key research questions that;

1. What are the key success factors of Thailand Eastern Economic Corridor (EEC) relationship to Thai Economic Policy,
2. How can innovate Thailand Eastern Economic Corridor (EEC): be made more effective for relationship to Thai Economic Policy.

## Research Objectives

In order to find the answers to the research questions, it put adaptive these into two research objectives: 1. Finding out the key success factors of Thailand Eastern Economic Corridor (EEC) relationship to Thai Economic Policy. 2. Finding out

more effective ways to innovate Thailand Eastern Economic Corridor (EEC) for relationship to Thai Economic Policy.

### Conceptual Framework

A conceptual framework was developed based on the findings from secondary data analysis and previous qualitative studies to articulate the links between Thai EEC as the influential factors and economic policy effectiveness in Thailand. The suitable core concept/theory in this study. By theoretical concepts, there are 2 mains for support this research. There are McKinsey 7S framework, and Kotler's marketing theories from 4P to 7P.

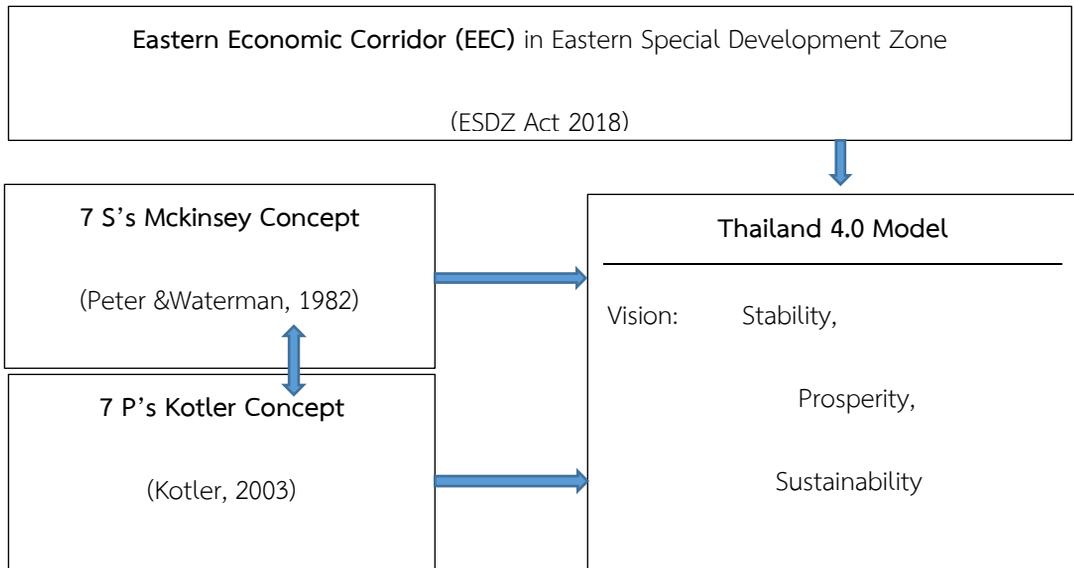


Figure 1 Conceptual Framework from Original Research

### Literature Reviews

#### Organization Development concept

Key Informants from ESDZ in brief the most supported in EEC enhance related organizing development, and the least supported in EEC make operation flexibly, as the same as EEC quick fix the problem.

### **7 S's Mckinsey concept**

Key Informants from Eastern Special Development Zone (ESDZ) in brief the most supported in EEC has administrative persons, as the same as EEC has administrative skill performance persons, and the least supported in EEC has administrative structures.

### **7 P's Kotler concept**

Key Informants from ESDZ in brief the most supported in EEC has service proposal, as same as EEC has managing personal, and EEC has service productivities also, and the least supported in EEC has managing service channel management as same as EEC has service promotion.

### **Eastern Economic Development Zone concept**

Key Informants from ESDZ in brief the most supported in EEC is spread prosperity project to region, and the least supported in EEC reduces income in equality as same as EEC uses land worthwhile.

## **Research Methodology**

This research methodology was qualitative method. In detail of this research's methodological process, the first part deals with research design, then the presentation moves on to key contributors are as the population and sample size. The next part presents data collecting, data analysis procedures, and the last part presents data validation with personal prevention the key informant, and summarize at the last. Research Design. In-depth interview, research data were collected by using semi-structured interview technique from key informants/contributors data collection with voice recorder and interview recording. As a result, organizational pattern used in this research as well.

## **Expected Finding and Discussion**

The Eastern Economic Corridor (EEC) is an area-based development initiative, and plan envisages a significant transformation of both physical and social

development, uplifting the country's competitiveness. Therefore, EEC's current situation and how to innovate EEC more effective are expected finding in the content.

For research objective which aimed to find out the current situation of EEC that impact on Thailand Development, this research study found that EEC had impact by influential factors including organization development, Mckinsey's concept with Social relation, Kotler's concept with Productivity, and Thailand development in policy and plan.

From completely analysis of ESDZ Key Informants in Organization Development concept, they had strongest agree in EEC enhance related organizing development, and by average was at very high level.

Similarly, completely analysis of ESDZ Key Informants in Mckinsey and Social relation concept, they had strongest agree in EEC has administrative persons, and gave importance administrative participation, and by average was at very high level.

In the same way, completely analysis of ESDZ Key Informants in Kotler and Productivity concept, they had strongest agree in EEC has service proposal, managing personal, and service productivities, and by average was at very high level.

As with completely analysis of ESDZ Key Informants in Eastern Economic Development Zone concept, they had strongest agree in EEC is spread prosperity project to region (Max. Mean: 4.70, S.D.0.46), and by average was at very high level.

By the result of this study, almost of key informants have the opinions in the same directions that means in each concept/component on frequency of positive comments were passed, no any frequency of negative comments presented. By average, Frequency Distribution in almost Strongly Agreement or Very High in Class Intervals. Therefore, all Test Results were accepted.

Thailand development Economic Model should be attend firstly, in the master plan as the key informants presented that the EEC development scheme will strengthen the existing foundation and contribute to sustainable business growth,

with the best mutual benefits, and additional privileges will eligible for investors and overseas professionals who plan to work in the EEC.

In conclusion, some part of key informants presented that Thailand is the perfect channel to the potential region because the country located in the center of Asia where more than half of the global population reside. Which known as the key geographical gateway to one of the most prosperous regions in the world. Not only has the number of residents been raising, but the growth in Asia also continues to outpace that of others, making the continent an emerging economic powerhouse

### **Conclusion and Recommendations**

Eastern Economic Corridor (EEC) in Thailand was flagship policy to create special economic zones spanning 30,000 rai (48 million square meters) in the three Eastern provinces of Chachoengsao, Chonburi, and Rayong. It is intended to develop the EEC into a series of new economic zones featuring upgraded technology based on an estimated THB 600 billion infrastructure investment plan.

The five-year economic plan and national development roadmap will continue under the 20-year national development strategy. EEC development plan under scheme of Thailand 4.0 aiming to revitalize and enhancing of the well-known Eastern Seaboard Development Program that had supported Thailand as a powerhouse for industrial production in Thailand for over 30 years. Under this initiative, the Eastern Economic Corridor Office of Thailand (EECO) in the past has been assigned to drive the country's investment in up-lifting innovation and advanced technology for the future generation. The EEC Development Plan will lead a significant development and transformation of Thailand's investment in physical and social infrastructure in the area.

### **Be concern with EEC in contexts**

*According to the views: What is the impact factors in EEC development?*

The majorities of Key Informants opinions have supported in 3 main concepts which currently at the state that: Comprehensive Infrastructure as the enhancement of investment value of the projects, Numerous skillful workforce, and Smart City as the land for intelligence.

*As a result: Developing EEC should be?*

There are 12 targeted industries that promoting advanced technology and innovation should be the impacts of EEC e.g. Next-generation Automotive, Intelligent Electronic, High-value and Medical Tourism, Education and Human resources, and so on.

### **Be concern with Thailand Economic Policy**

*According to the views: How Thailand development Model supports EEC*

Some key informants occurred that because of special Economic zone in EEC, the main support from the government, then the government need to support not only comprehensive infrastructure, but have to promote zone for specific industries in the area. With EEC exceptional characteristics, the government should to provide distinguished investment opportunities for all investors. There are many projects for promoted zone for specific industries e.g. EECh: High-Speed Rail Ribbon Sprawl, EECd: Digital Park, EECmd: Medical Hub, EECi: Innovation Platform, and EECa: Eastern Airport City.

*As a result: How Thailand development Economic Model should be?*

In the master plan as the key informants presented, there are 5 promoted zones for specific industries and 21 promoted zone for targeted industries to serve the prospect investors around the world. Investors in 12 targeted industries will also be eligible additional privileges. As a result, the EEC development scheme will strengthen the existing foundation and contribute to sustainable business growth, with the best mutual benefits. The 12 targeted industries and additional privileges will eligible for investors and overseas professionals who plan to work in the EEC i.g. Personal Income tax, Import Duties, Financial Transaction, Land and Real Estate

Ownership, Immigrating to and Residing in Thailand, Special Deductions, and Other Privileges.

### **Research Contributions**

Accordingly, this research is the deep study in the field of administrative management in Organization Development by research approach in depth-study insight the Economic project in Eastern Special Development Zone Act B.E.2561 (2018) or ESDZ Act 2018 which purposing Thailand to be the modernization country in the next decade. With a regulatory and governance structure, EEC overall development plan has been well established to find out for research objectives in current situations and more effective ways to innovate EEC which impact on Thailand Development.

### **Recommendations**

Throughout the past 40 years, Thailand has had an economic structure of 1.0, emphasizing the agricultural sector. And later developed into 2.0 is the light industry focus. And today is the 3.0 is a heavy industry focus. The traditional policy has made Thailand suffer from a middle-income trap for a long time. To get Thailand out of the trap until the middle income, Thailand needs to change its economic structure to "**Value-Based Economy**" or "**Thailand-based economy**" or "**Thailand 4.0**".

One of the advantages of Thai entrepreneurs is Cultural diversity. It can be inserted in the product and service is interesting. For example bring local stories to the design and presentation of products to create a focus. Include patches to differentiate. This will help to create identity and increase value.

In future research might consider taking the difference approach in order to gain more concrete and reliable findings. Accordingly, the sample size should be large to attain the required statistical method, and sampling should be of a probabilistic nature. Doing so would make comparison of different groups within the overall sample possible and meaningful.

## Acknowledgement

Authors of the paper would like to acknowledge the support of Rajamangala University of Technology Phra Nakhon and Shinawat University

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