

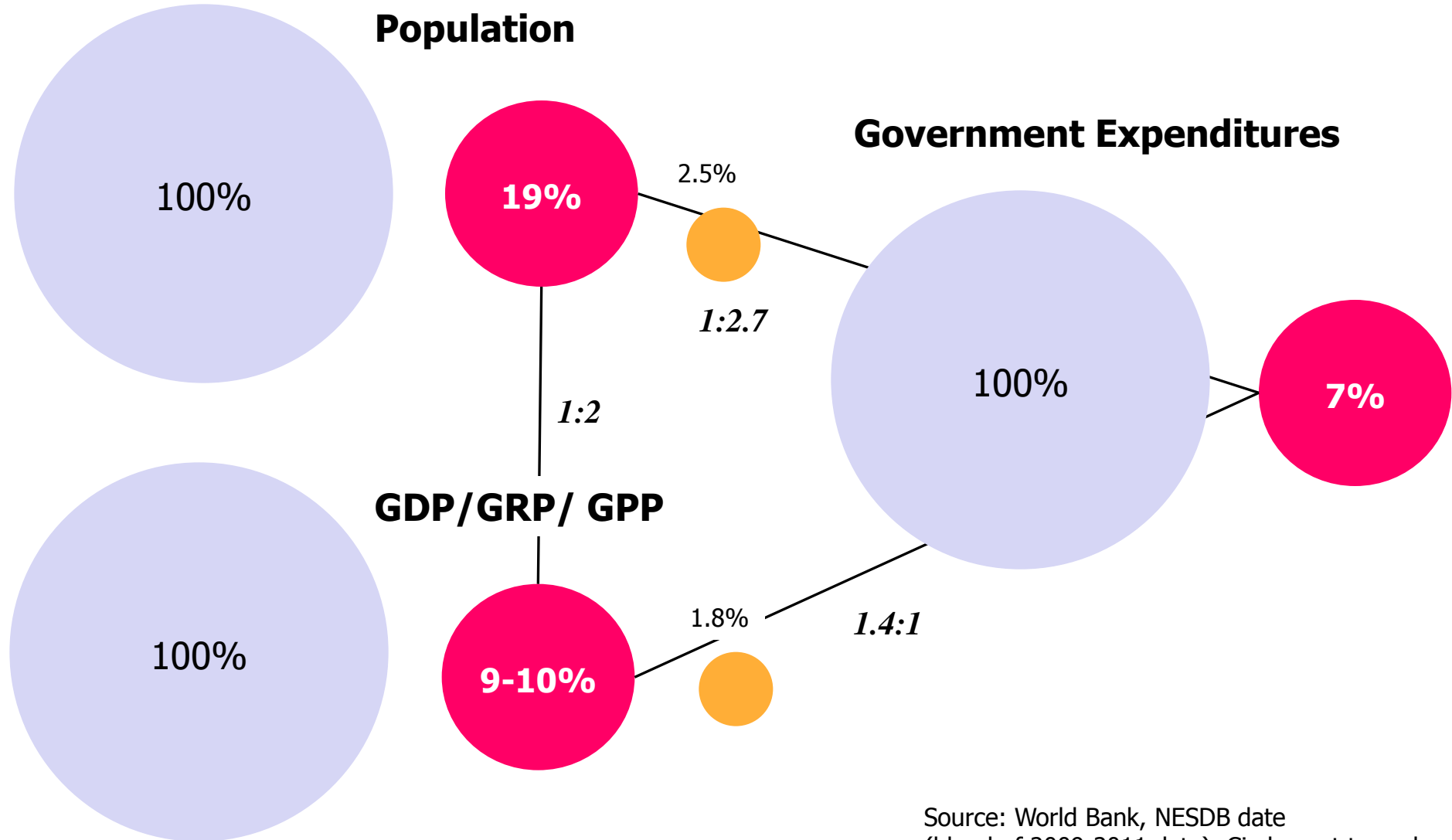
เชียงใหม่ เมืองสร้างสรรค์: นครแห่งชีวิต โอกาส และความมั่งคั่ง Chiang Mai Creative City (CMCC)

Unlocking ICT Seminar



Regional Disparities – problem and opportunity

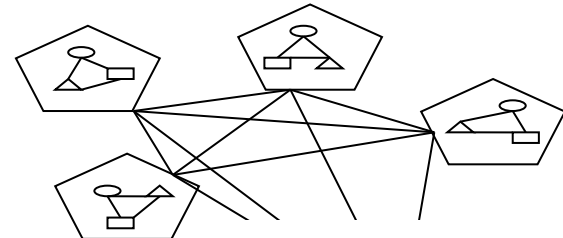
Comparison of **Thailand** and **North Thailand** (17 provinces) and **Chiang Mai**



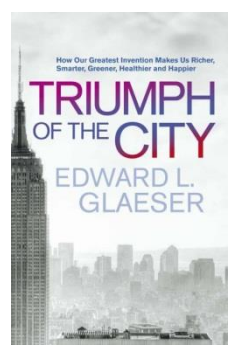
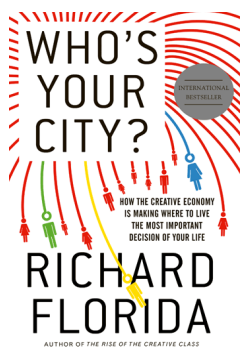
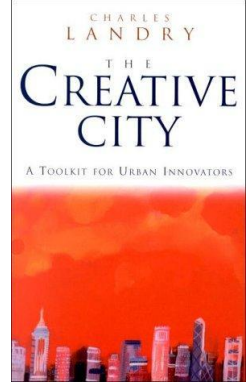
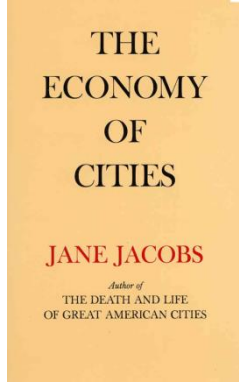
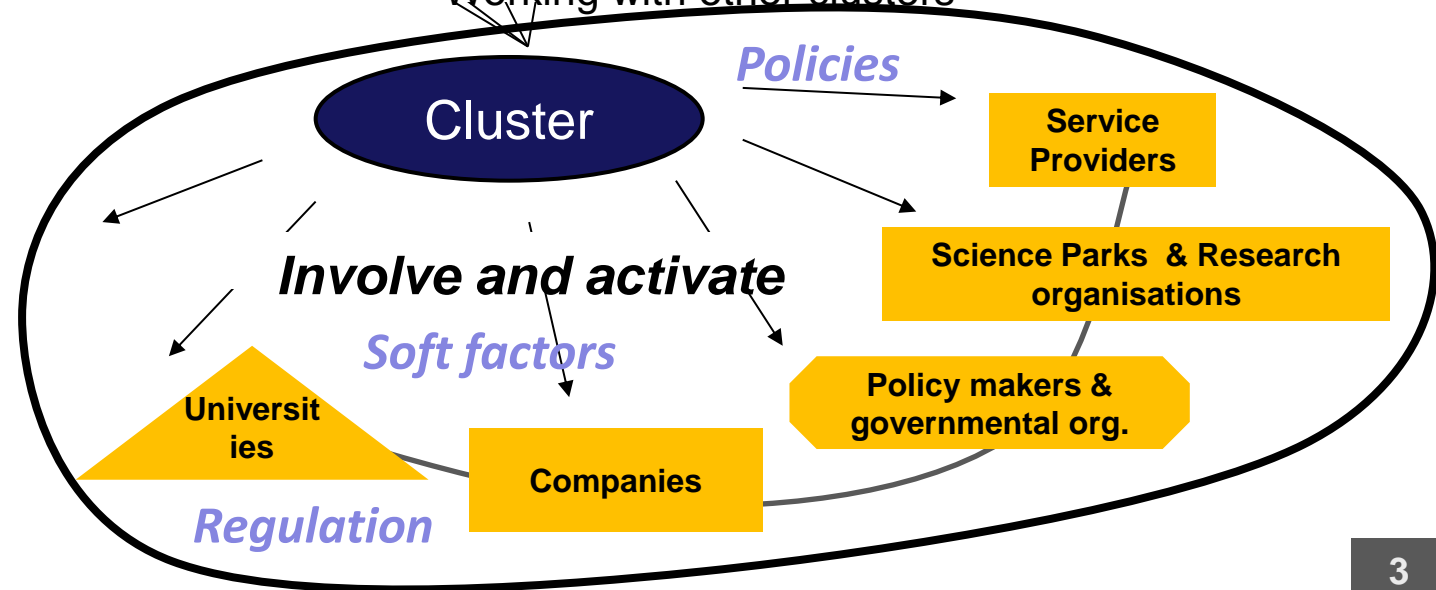
Source: World Bank, NESDB data (blend of 2009-2011 data). Circles not to scale.



Renewed interest in cities and clusters - **ENGINES** (similar to ICT itself!)



Working with other clusters



But why Chiang Mai? Isn't Chiang Mai.....

Slow life, Wellness

Coffee against sleepiness

Temple & Culture, Tradition

Crafted, cute, cheap



Chiang Mai has the largest number of IT, software, and new media companies outside Bangkok – these are some examples



Driven by the quality of lifestyle but also other factors

Quality of lifestyle

Lower Cost of living (and
operating)

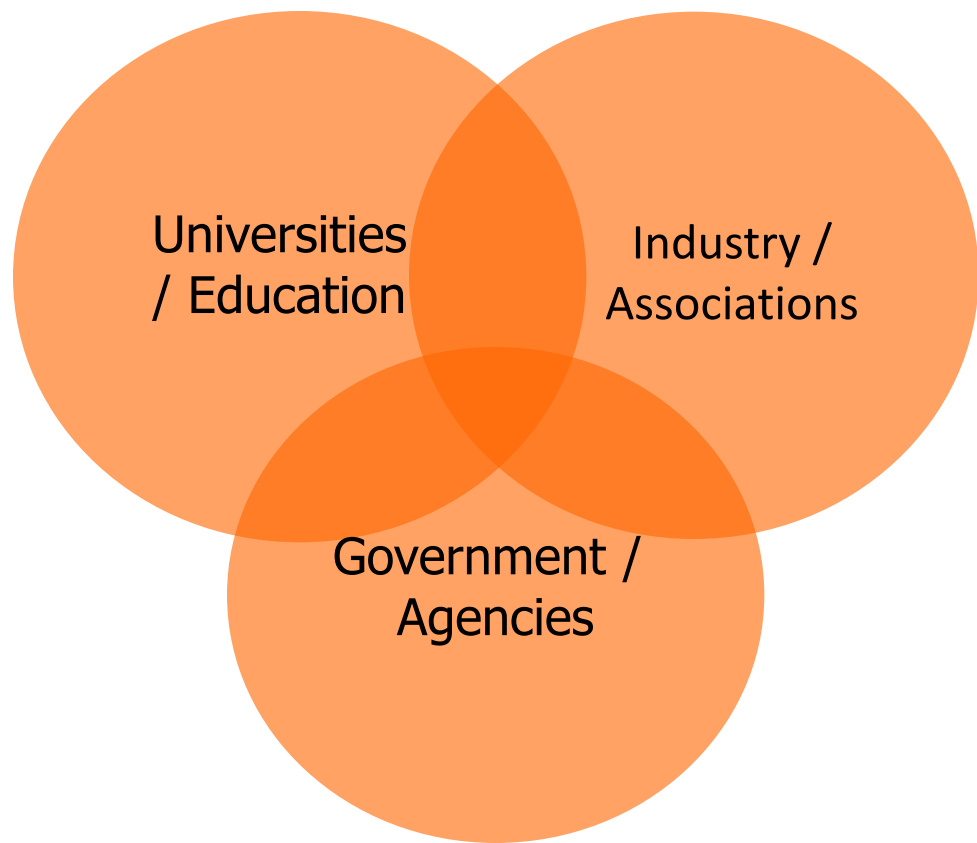
Education Hub
Cost of Resources
Loyalty

Strategic Position

CAMT, Pun Space,
TCDC, CMU STeP

Chiang Mai Creative City

Launched in 2010, Chiang Mai Creative City (CMCC) is a Governor endorsed local, bottom up, voluntary initiative, think tank, and network consisting of over 40 organisations



We aim to keep the beauty and charm of Chiang Mai, but also **develop new jobs and grow the economy** by leveraging innovation and creativity



Chiang Mai Creative City focuses on the soft factors

TEDxChiangMai



Barcamps, GEW, Design Competitions, CNXP and other events



Networking, collaboration and think tank



City Marketing



CAMT, Pun Space, TCDC, CMU STeP



Projects such as Handmade Chiang Mai, Creative Lanna, etc.



But there are hurdles..... How can we overcome them?

Mindsets

Insufficient regional dev. policies

Distrust



Visa & Work Permit Issues

Grants for Innovation



Regulations

No spatial investment incentives

Lack of Spaces & Services

Goal: Meeting aspirations of the next generation

Catalyst Actions to ignite a chain reaction for sustainable growth

- **Spatial industrial cluster investment promotion**
- **Treat the first regional clusters as pilots**
- **Create baseline employment through relocation**
- **Promote and develop spaces and services providers**
- **Regional grants and incentives**



@ STeP

www.creativechiangmai.com
cmcc@creativechiangmai.com
081 969 6919



<https://www.facebook.com/CreativeChiangMai>





TED^x
ChiangMai
x = independently organized TED event

Please visit us and join our creativity
and idea forum TEDxChiangMai 2013
“Smart Societies” on 14 September

Talk by Martin Venzky-Stalling at UNLOCKING ICT Seminar on the 2nd of July (organized by EABC and JFCCT). Martin@venzky-stalling.com

Ladies and Gentlemen, thank you for inviting me to today's event on unlocking ICT for innovative growth. ICT, innovation, and growth strategies are topics that have been the focus of my working life over the past 20 years. I am now working as an innovation and regional economic development advisor via a GIZ program in Northern Thailand. Today, I would like to talk about the opportunity to unlock two things, ICT *and* the regions of Thailand.

NEW SLIDE

My point about showing you the data on this slide is that I believe that spatial imbalances in Thailand's economic development are also the opportunity of the future. I don't believe that the Northern Region of Thailand, that is 17 provinces with 20% of the country's population, can only generate 9% of Thailand's GDP. I believe that apart from the potential economic return on investment in the regions, making regional growth happen is imperative for the long term stable development of Thailand.

NEW SLIDE

I am also a believer in cities and spatially defined clusters. In my view, if Thailand wants to grow and develop out of the so called middle-income trap, it needs to invest in cities, clusters and innovation as well as foster creativity. The focus on cities is not a city citizen's selfish perspective. I am convinced that cities are the innovation and growth engines of regions and countries. If a city does not have a strong innovation capacity and dynamic economy, the surrounding region will be negatively affected. But more focus needs to be given to secondary cities outside of Central Thailand. Clusters are an extension from the cities, since industry clusters are not only defined by companies, but also other participants such as universities, services providers, logistical facilities, etc. -- clusters tend to form around cities. Cities and clusters also more naturally function as hubs that link to other hubs, cities and clusters - hence the potential for greater exports from a particular region.

Why all this talk about clusters, regional economic development, cities, etc. at an ICT Conference? And how does it relate to Chiang Mai, where I am currently working? Isn't Chiang Mai a great place for retirement, a city with the highest density of coffee shops in Southeast Asia, a city of temples, culture, slow life, tradition, meditation and spas?

NEW SLIDE

Well, partly yes, but Chiang Mai also has the second largest IT, software, and digital content cluster outside of Greater Bangkok. PAUSE.

NEW SLIDE

This growth of the Chiang Mai ICT sector was driven by exactly that quality of life that I mentioned before - but also other factors such as the availability of human resources. Chiang Mai is a city with over 100,000 university students. The growth of this ICT cluster is highly complementary to Chiang Mai, it is an industry that does not draw on natural resources and distance matters less. And there is strong potential to link ICT to the existing industries and boost their productivity, innovation capacity, and hence competitiveness.

NEW SLIDE

Recognizing this potential, we established the Chiang Mai Creative City development initiative or CMCC with the aim to further coordinate and accelerate the development of Chiang Mai. Our key mission is to create jobs and opportunities for the next generation. Right now, Chiang Mai suffers from a brain drain – many graduates leave Chiang Mai to go and work in other regions. Although Chiang Mai is often called Thailand’s second city, its economic performance does not reflect this status. Chiang Mai needs to develop and diversify its economy. Some of the previous regional cluster strategies in Thailand have not sufficiently considered a vital ingredient for sustainable cluster development, the availability of universities and human resources. Chiang Mai has eight universities and many colleges. It is also a proper city where people, including foreigners, want to work and live. Where are the main startup, IT, and innovation centers in the world? They are in attractive cities.

NEW SLIDE

As a voluntary and local network, CMCC still has limited resources and largely focuses on strengthening the soft factors that make a city innovative and creative. CMCC focuses on organizing creativity and idea forums like TEDxChiangMai, promotes collaboration between the stakeholders, and sets out to support industry better through the creation of new service at innovation services providers such as the Chiang Mai University Science & Technology Park.

NEW SLIDE

But there are hurdles and obstacles. The ICT cluster of Chiang Mai is undoubtedly growing, but it is a gradual growth, not a leapfrog kind of growth. CMCC has very good relationships with the local offices of SIPA, the BOI, and other organizations. But they have to adhere to the policies and framework conditions that are often set here in Bangkok.

NEW SLIDE

Regional cities such as Chiang Mai need some catalyst actions, a sufficient number of coordinated actions, which ignite a chain reaction that creates accelerated development.

One thing we liked during the consultations with the BOI earlier this year, was the idea of promoting regional industry clusters. At the moment, there are no policy and investment

incentives supporting a more decentralized regional growth of the IT, software and digital content industry. A more regional or spatially defined approach would also permit testing things that may not be workable at a large scale or nationwide. In conjunction with local initiatives and stakeholders, new tools, regulations, and other measures can be tried out.

Governments can also create baseline jobs in IT by relocating certain business operations or promoting domestic IT outsourcing in the regions. The background to this slide shows the Federal German Institute for Vehicles, handling anything from driving licenses to vehicle registration. When this institution was set up in my hometown city far in the North of Germany it created a couple of thousand jobs.

Another point, Thailand started with a policy to promote regional Science Parks as well as Software Parks, but the progress has been slow and the regulations and incentives are too risk averse and unaligned with the needs and opportunities. I also see a need for taking a bigger risk when it comes to providing incentives to business in certain areas (and in an economy that wants to move toward a more knowledge centric economy). There needs to be more focus on supporting industry - and I mean grants - for investment in innovation, ICT, and collaborative R&D. To unlock the potential of ICT and increasing Thailand's innovative capacity - behaviours can be influenced through policies and incentives.

NEW SLIDE

Ladies and Gentlemen, I would like to thank you for your attention and would like to invite you to visit our website as well facebook pages for information about what we do. www.creativechiangmai.com

NEW SLIDE

I also would like to invite you to come to Thailand's international creativity and idea forum which is taking place in Chiang Mai on the 14th of September with the title "TEDxChiangMai" and the theme "Smart Societies". Thank you. www.tedxchiangmai.com