



*Enterprise with Integrity*





# Competitiveness & Anti-Corruption

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*Enterprise with Integrity*

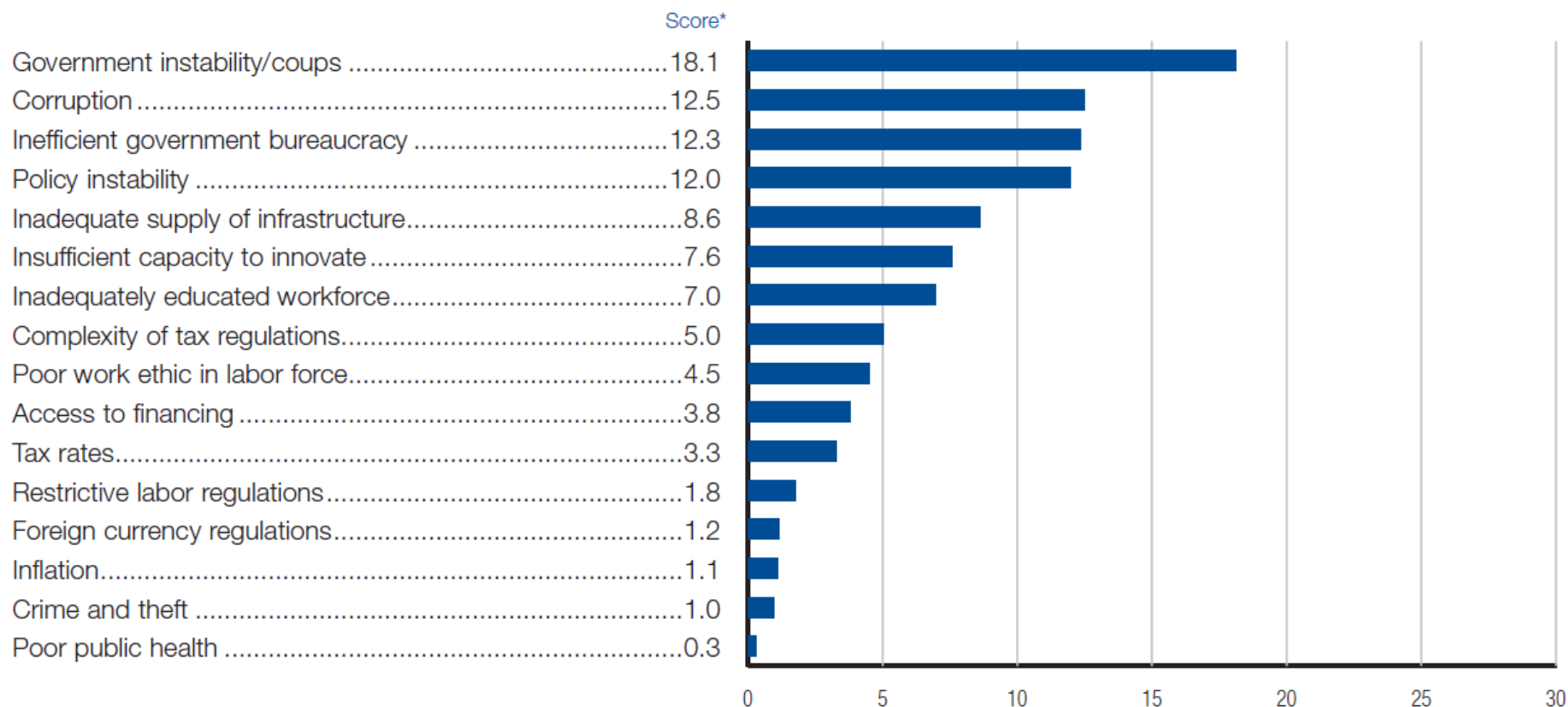
Competitiveness is crucial for companies and the economy.



# Public sector CG is now a more urgent challenge



## The most problematic factors for doing business



Source: The Global Competitiveness Report 2015-2016

@ 2015 World Economic Forum

# Corruption Perceptions Index 2015



## TI'S CORRUPTION PERCEPTION INDEX 2015 (168 countries)

Asia Ranking	2015 Ranking	2014 Ranking	Country	Score (out of 100)
1	8	7	Singapore ↑	85 (+1)
2	18		Japan ↓	75 (-1)
2	18		Hong Kong	75
3	27		Bhutan	65
4	30		Taiwan ↑	62 (+1)
5	37		South Korea ↑	56 (+1)
6	54		Malaysia ↓	50 (-2)
7	72		Mongolia	39
8	76	85	India	38
<b>8</b>	<b>76</b>	<b>85</b>	<b>Thailand</b>	<b>38</b>
9	83	100	China ↑	37 (+1)
9	83	85	Sri Lanka ↓	37 (-1)

Higher than  
**Indonesia (88<sup>th</sup>)**  
**Philippines (95<sup>th</sup>)**  
**Vietnam (112<sup>th</sup>)**

Lower than  
**Rwanda (44<sup>th</sup>)**  
**Jamaica (69<sup>th</sup>)**  
**Panama (72<sup>nd</sup>)**

# Doing Business ranking 2016



## DOING BUSINESS

Economy	Ease of Doing Business Rank	Filtered Rank ▲	Starting a Business	Dealing with Construction Permits	Getting Electricity	Registering Property	Getting Credit	Protecting Minority Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Resolving Insolvency
Singapore	1	1	2	1	2	1	2	1	2	1	1	3
Hong Kong SAR, China	5	2	1	3	3	10	2	1	1	2	4	2
Taiwan, China	11	3	4	2	1	2	8	5	6	6	3	1
Malaysia	18	4	3	5	5	3	4	3	5	3	5	4
Thailand	49	5	11	9	4	8	19	6	10	5	6	5
Mongolia	56	6	5	8	20	5	8	4	13	8	10	10
Tonga	78	7	7	7	9	21	7	14	11	10	13	16
Brunei Darussalam	84	8	9	6	10	20	13	17	3	19	14	12
China *	84	9	15	24	14	4	13	17	23	13	2	7

# THAILAND

## OVERALL PERFORMANCE



## CHALLENGES IN 2015

- Stimulate short-term economic growth by promoting alternative sectors to compensate for the declining export growth and expediting government spending in major projects.
- Promote innovation- driven, high value-added industries for long-term growth.
- Implement economic restructuring to facilitate income distribution.
- Implement necessary political and government reform leading to social equality and transparency
- Reform education system in anticipation of future agenda as well as to seriously foster honest and ethical national culture.

**Provided by:**

Thailand Management Association

# Global Competitiveness Index



## The 10 most competitive Asia-Pacific economies



Country	Global rank*
Singapore	2
Japan	6
Hong Kong	7
Taiwan, China	15
New Zealand	16
Malaysia	18
Australia	21
Korea, Rep.	26
China	28
Thailand	32

Source: The Global Competitiveness Report 2015-2016  
\*Asia-Pacific 2015- 2016 rank out of 140 economies



In some dimensions, Thailand is quite competitive





- **Gross national savings** **26**
- Better than Denmark, Netherlands, Germany



- **Ease of access to loans**

**20**

- Better than Belgium, Switzerland, Australia



23

- **Hiring and firing practices**
- Better than Austria, Netherlands, New Zealand



18

- **Exports as % of GDP**
- Better than Germany, Taiwan, Switzerland



**However, there are dimensions that Thailand need to improve immediately.**



**Irregular payments and bribes** **81**

**Worse than** Liberia, Mongolia, and Zambia



**Wastefulness of public spending** **113**

**Worse than** Chad, Bangladesh, Mozambique





**Business cost of crime and violence 103**

**Worse than** Tunisia, Italy, and Cameroon

# Key Achievements of the Government in Anti Corruption.



- Legislation to support of related Anti-Corruption:
  - Licensing Facilitation Act (Service Level Agreement),
  - The Royal Decree on the Revision of Laws.(Regulatory Guillotine),
  - 3th Amended Anti-Corruption Act – Company liability
- **Integrity Pact** – 26 public procurement applied.
- Apply **Construction Sector Transparency Initiative (CoST)** for Suvarnabhumi extensions phase 2
- Apply **Extractive Industries Transparency Initiative**, which is a global standard to promote open and accountable management of natural resources.
- **Anti-Corruption Operation Center**, as a government's internal audit mechanism, (Disclose list of officer who involved with scandal)
- Reinforcement **Office of Public Sector Anti-Corruption Commission (PACC)** directly commanded by PM



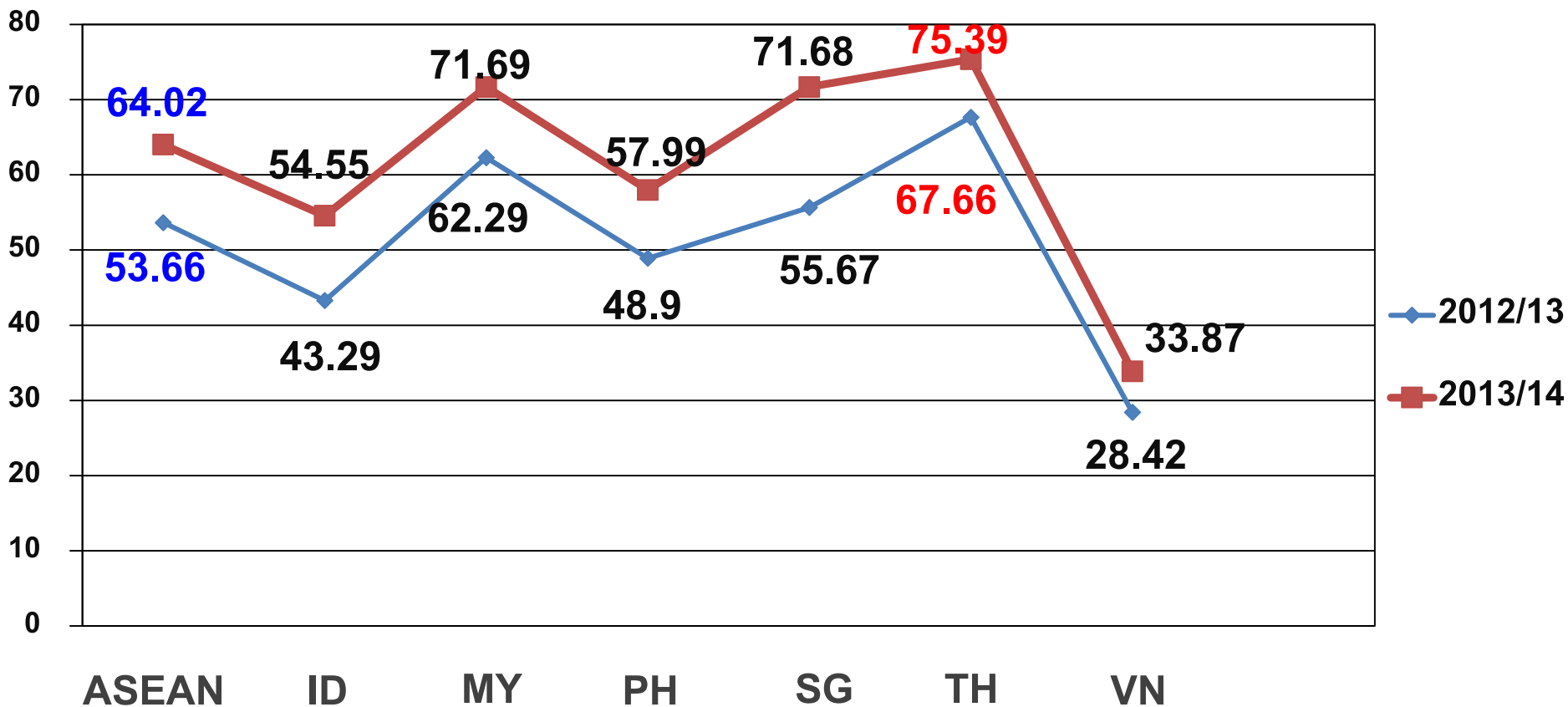
## Roles of private sector in Anti-Corruption

1. Companies must adopt good corporate governance to enhance the integrity and the profile of their businesses.
2. Companies can join force and commit collectively to fight corruption through ethical business practices and joining a collective action against corruption.
3. Companies through their business associations can advocate reform of government processes and administration that are prone to corruption.

# ASEAN CG Scorecard Result



 2014 = 84.53  
 2015 = 87.53



# About CAC



**Started in November 2010, as an initiative of the Thai IOD, the Thai Chamber of Commerce, the Joint Foreign Chambers of Commerce (JFCCT), the Thai Listed Companies Association and the Thai Bankers Association, CAC is now supported also by the Federation of Thai Capital Market Organizations, the Federation of Thai Industries, and the Tourism Council of Thailand. The CAC and the IOD received technical assistance from the Washington-based Center for International Private Enterprise (CIPE) and UK Prosperity Fund**

# Key Features of the CAC



1. It is voluntary and policy advocacy by example.
2. Raise governance-based compliance standards.
3. Certification with external validation.
4. Creating alliances for clean business.
5. Promoting platforms for dialogue between the public and the private sector on anti-corruption.

# CAC Declaration's signatory companies



**Signatory companies** **684** **companies**

That number includes:

- SET listed companies **349**
- Privately-held companies **335**

Divided by income:

- More than 10,000 MB. **115**
- 5,001-10,000 MB. **58**
- 1,000-5,000 MB. **203**
- Less than 1,000 MB. **308**

**Number of companies certified** **168** **companies**

# Member of Business associations signed CAC



<b>Thai Banker Association</b>	<b>15</b>	<b>Banks</b>
<b>Association of Investment Management Companies</b>	<b>23</b>	<b>Companies</b>
<b>Association of Thai Securities Companies</b>	<b>30</b>	<b>Companies</b>
<b>Thai Life Assurance Association</b>	<b>25</b>	<b>Companies</b>
<b>Thai General Insurance Association</b>	<b>51</b>	<b>Companies</b>



# Why do Companies Join CAC?



- Want to be part of the solution to help promote progress and development.
- A level-playing field & fair competition.
- Maintain trust in doing business in Thailand.

# Board of Directors should dedicate more time during meetings on:

## “Board Meeting 2016”

- Business Strategy (61%)
- Risk Management (54%)
- Business Environment Analysis (45%)
- Anti-Corruption (42%)
- Compliance to CG Principles (39%)
- Internal Control System and Crisis Management (38%)

Q & A