

# Personnel Management Association of Thailand (PMAT)

**Bangkok, Thailand**  
**February 6, 2016**

## 1. Current economic and political situation in the country

### **Economy and labor market situation**

According to Bank of Thailand's Business Outlook Report issued January 2016, it is forecasted that the business conditions in the first quarter of 2016 is expected to continue expanding from improved business sentiments, effects of government stimulus measures, and public investment that is likely show solid progress. As a result, private consumption is expected to expand as sentiment improves and positive effect from government stimulus policies enhances consumer purchasing power. Nevertheless, downside risks include likelihood of lower farm income amidst drought conditions and high household debts. Private investment is likely to expand due to improving sentiment, a result of government investment spending, and to support increasing merchandise demand from CLMV countries<sup>1</sup>. However, some companies may hold back investment for signs of economic recovery or clarity on government policies. Merchandise exports is likely to slow down from the previous quarter as there is no support from temporary factors and signs of global economic recovery remain unclear. The tourism sector is expected to continue improving, with policies gearing towards increasing tourist spending rather than just promoting the number of tourist arrivals. The real estate sector should expand as a result of government measures to stimulate property sector.

Spokesman of the Ministry of Finance announced on January 28, 2016 that Thailand's GDP is expected to grow at 3.7% this year due mainly to government spending projects to help promoting and developing community economic. Moreover, the government investment in country's transportation infrastructure improvement projects is expected to be increased. The 2015's headline inflation is 0.3%, increasing from the previous year as result of higher supply. Headline inflation of 2016 is still forecasted to be low following the low energy price.

However, Thai economy might meet or fail to meet the growth projected due to two major risks of Thai economy, the fluctuation of oil price in international market and the weak global economic recovery.

### **Political situation**

The overall political climate in Thailand is calm and stable. Besides national election and new constitution, another key issue that comes into major concern of the government is combating IUU Fishing<sup>2</sup>

On January 15<sup>th</sup>, 2016, the Command Center for Combatting Illegal Fishing (CCCF) held a press conference to provide updates on the government's efforts in combating IUU fishing. Several concrete results and progress have been highlighted in the following 5 areas, including

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<sup>1</sup> CLMV countries include Cambodia, Laos, Myanmar, and Vietnam

<sup>2</sup> IUU Fishing is illegal, unreported, and unregulated fishing

restructuring of the legal framework, development of key systems, law enforcement, enhancing international cooperation, and assistance to victims of illegal fishing.

Recently at the Cabinet meeting on February 2<sup>nd</sup>, 2016, there is a solution made to combat IUU Fishing that is extension of registration period for migrant workers in fishing and seafood processing industries. The Cabinet agreed on proposals made by Ministry of Labor to extend the registration period for migrant workers from Myanmar, Laos and Cambodia as follows:

- Fishing industry (previously due to terminate on January 30, 2016. It will be extended from the Cabinet's approval date until July 31, 2016). The workers can stay and be employed in the country until January 31, 2017.
- Seafood processing industry (previously due to terminate on February 22, 2016. It will be extended from the Cabinet's approval date until August 22, 2016). The workers can stay and be employed in the country until February 22, 2017.

The Cabinet has also ordered Ministry of Labor to consider a grace period for migrant workers to stay in the country, and to consider revising registration process and other related details as seen appropriate, in a bid to combat illegal, unreported, and unregulated (IUU) fishing. It also approved for other concerned agencies to provide relevant supports.

## **2. HR challenges**

The shortage of vocational workforce is still a big problem in Thailand, due to the mislead educational value in Thai society. It is one of the biggest challenges of HR that needs integrated solution and helping hands from stakeholders in both private and government sector to solve the problem together.

Due to the fluctuation of business and economic situation in the region and the world and the drastic workplace demographic change, HR profession is obliged to improve its roles, concept, and practices. The HR issues those are expected to be important challenges within the next five years are

- HR & People Strategies
- Career Management
- Performance Management
- Talent Management
- Leadership Development

Beside the challenges stated above, there is an issue about utilizing foreign labor force legally in industrial and agricultural industries that Thai HR getting more involved with since the insufficient of domestic labor force.

## **3. PMAT project and initiatives**

- As PMAT conducted the Compensation and Benefits Survey for 2015-2016, the result came out that the incremental is slightly decreased in salary but 2-3 months in bonus as usual.
- Last year, the Ministry of Labor has opened 12 Smart Job Centers across the country helping approximately 175,000 people to find their jobs in 2015. Now, the Department of Employment, the Ministry of Labor is promoting the website called "Smart Job" and mobile application called "Smart Labour" to support both workforce seeking job and employer seeking workforce to meet and match their requirements even more conveniently through the website and mobile application.

## **4. Scheduled Conferences**

- PMAT's Annual Meeting and New Management Board Election (March 2016)
- PMAT's 50<sup>th</sup> Anniversary (May 2016)

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Advisory Board Member  
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