

Direction and Measures
of SMEs Promotion



Part

04

OSMEP

Office of
Small and Medium
Enterprises Promotion

A Study of the Effect of Information on the Laws and Regulations on the Business Operations of Small and Medium Enterprises



Chapter 9

A Study of the Effect of Information on the Laws and Regulations on the Business Operations of Small and Medium Enterprises

Most SME entrepreneurs are still unable to gain full access to the privileges offered by the government sector due to the limitations of SMEs, laws and regulations. This is especially true for tax privileges since a large number of SMEs are in the tax system and to claim such privileges involves conditions and complications. According to the study, it was found that SMEs gained most access to privilege as regards the reduction of corporate income tax for enterprises with a paid registered capital of not over five million baht since such measure is clear and has no conditions on the claim of right that may become problems in terms of practice. As regards tax privileges for juristic entities who co-invest with SMEs, there was no one claiming this privilege since the specified conditions are not in concordance with the methods of business operation of the co-investing juristic entities. Furthermore, the definition of Thai SMEs is rather broad making the measures of SME promotion incapable of focusing on small-scale businesses in need of real help. The study of tax privileges for SMEs of other countries shows diversity usually related to the elevation of SME competitiveness in several areas. The suggestions from the study are: the criteria for size classification of SMEs should be revised and the criteria should genuinely reflect the structure of size of Thai enterprises; every measure of access to tax privileges of SMEs should be followed up and evaluated systematically; Key Performance Indicators of Specific Financial Institutions should be improved to reflect the mission to promote SMEs rather than commercial performance; measures promoting the co-investment with SMEs should be improved; and an appropriate tax structure should be defined by taking into account the persuasion of SMEs to enter the tax system.

Specific Measures and Standard Operating Procedures to Assist Small and Medium Entrepreneurs Having Been Affected by Flooding and the Increase of Minimum Wage



Chapter 10

Specific Measures and Standard Operating Procedures to Assist Small and Medium Entrepreneurs Having Been Affected by Flooding and the Increase of Minimum Wage

10.1 Assistance Measures of the Government Agencies for Small and Medium Enterprises Having Been Affected by Flooding

In order for small and medium enterprises to recover and become major forces of the country's sustainable economic development, it is deemed appropriate to assist small and medium entrepreneurs of every sector as follows:

1. Credit Measures

Credit related to small and medium enterprises can be divided into two parts:

1.1 Credit measures with approval from the cabinet carried out through the government's financial institutions emphasizing an increase in liquidity for entrepreneurs having been affected by flood consisting of:

1.1.1 Low Interest Loans through the Collaboration of the Government Savings Bank

Interest rate: 3% loan interest rate for three consecutive years

Soft Loans from the Government Savings Bank: the Government Savings Bank collaborates with commercial banks in offering loans at the proportion of 50/50. The Government Savings Bank will deposit a total amount of 20,000 million baht at commercial banks at the interest rate of 0.01% for three years for commercial banks to join to offer credit to flood victims according to the determined target group.

Promotion Budget: the government compensates financial costs to the Government Savings Bank based on the same principles as assigning the

Government Savings Bank to carry out the Soft Loan project on behalf of the Bank of Thailand with the objective of helping entrepreneurs in the three southern border provinces.

1.1.2 Assistance Measures for Entrepreneurs Suffering from the 2011 Floods by the SME Bank

Interest rate and fee: the bank charges a stable interest rate at 8% per annum throughout the contract. The bank charges the fee at 0.1% of an approved credit limit, charges a minimum of 100 baht per person and the total approved credit limit of project is 2,000 million baht.

1.1.3 Credit for SME Entrepreneurs Through Collateral Mechanism of Portfolio Guarantee Scheme of Thai Credit Guarantee Corporation (TCG)

Terms and Conditions for Collateral:

- (1) Collateral period of seven years
- (2) Collateral fee is 1.75% per annum of loan guarantee limit whereby the government will compensate the fee for the first three years.
- (3) Loan received from financial institutions must be new ones and must not be a repayment for a loan to an institution providing loans. The maximum collateral limit is specified as not exceeding 10 million baht per enterprise per institution.
- (4) SMEs must be in the specified target group and must not be in NPL debt before 1 August 2011.

Total Loan Guarantee Limit: 100,000 Million Baht

Promotion Budget : TCG applies for compensation from the government at the amount not exceeding 23,000 million baht which consists of:

- (1) Compensation of collateral fee at 1.75% for three years or 5,250 Million Baht (calculated from $1.75\% \times 3 \times 100,000$).
- (2) Compensation of difference of actual compensation insurance but not exceeding 17,750 million baht.

1.1.4 The Bank of Thailand provides assistance to SMEs through commercial banks, foreign branches of commercial banks, and six public specific financial institutions

The Export-Import Bank of Thailand, the Bank for Agriculture and Agricultural Co-operatives, SME Bank, the Government Savings Bank, the Government Housing Bank, and the Islamic Bank of Thailand. The total limit of financial assistance is 300,000 million baht, with each small and medium enterprise not being in excess of 30 million baht, and private individuals not exceeding 1 million baht. The approval of credit depends on the discretion of financial institutions. The Bank of Thailand charges an interest rate of 0.01% per annum calculated from financial institutions. Financial institutions charge small and medium enterprises and private individuals at the rate of not exceeding 3% per annum.

- 1.2 Credit measures of financial institutions** are mostly a suspension of old debt payment or extension of debt payment, an increase in liquidity by allowing an old debtor who is an entrepreneur to receive more loan, as well as flexibility of terms and conditions such as an exemption of interest in cases when repayment does not meet an agreed time.

In addition to the two above measures, credit measures are operated by the Social Security Office in collaboration with financial institutions in order to assist flood-hit enterprises—a project helping flood-affected enterprises. The credit limit is specified as not exceeding 1 million baht per enterprise, and stable loan interest rate at 3% per year for three years. Loan can be applied for from three banks—Krung Thai Bank, the Government Savings Bank, and the Islamic Bank of Thailand.

2. Legal Measures - Flood Insurance

- 1.1 Office of Insurance Commission (OIC)** has operated to accelerate insurance companies to pay compensation to the insured in a rapid, accurate and fair manner. The insurance consists of:

1.2.1 Fire Insurance - flood-affected entrepreneurs insuring for fire have to additionally purchase disaster protection “Flood Disaster”.

1.2.2 Industrial All Risks Insurance - the IAR insured receive the cover of damage of insured assets caused by disasters including floods.

1.2.3 Business Interruption Insurance - covering cases when entrepreneurs have to close business and do not earn income due to flooding.

1.2 Establishment of Disaster Insurance Promotion Fund B.E. 2555 (2012) coverage and sub limit classified according to three types of the insured in every area across the nation as follows:

- (1) Residence: coverage not exceeding 100,000 baht and insurance premium rate at 0.5% per annum of the coverage specified in the disaster insurance policy.
- (2) Small and medium enterprises (SMEs) are business holding insurance capital not in excess of 50 million baht. Sub limit is not over 30% of insurance capital and insurance premium rate is 1.0% per annum of the coverage according to the disaster insurance policy.
- (3) Industry is business holding insurance capital of 50 million baht or more. Sub limit is not over 30% of insurance capital and insurance premium rate is 1.25% per year of the coverage specified in the disaster insurance policy.

3. Labor Measures

The Ministry of Labor has implemented labor measures in order to prevent and alleviate layoffs as prescribed below:

3.1 The preventing and alleviating layoffs project aims at supporting employers to be able to pay wages to their employees. However, they have to mutually agree that there will be no layoffs, and wage has to be paid at at least 75% of the previous wage. The Ministry of Labor will join with employers in paying the wage of 2,000 baht to each employee for three months.

3.2 The “Friend to Friend” project for flood-affected enterprises is carried out to help employees not working during flooding to work at another enterprise. Enterprises not affected by flood would be asked to hire

employees in trouble on a short-term basis according to the work conditions of each enterprise to help them earn income.

3.3 Reduction of Social Security Contribution stipulated by the Ministerial Regulation Prescribing the Rate of Contributions to the Social Security Fund B.E. 2555 (2012) has come into effect since 1 January 2012 whereby the rate of contribution for employers and insured employees is in accordance with Section 33 for a period of one year in 2012.

4. Tax Measures and Privileges

The Thai Customs Department, the Ministry of Finance has operated tax measures for flood-affected entrepreneurs by exempting income tax for compensation offered to flood victims by the public sector. In addition, income tax for indemnity that flood victims received from the insurance was omitted to compensate for only the part of such damage that exceeded the capital value of remaining assets after deducting the wear and tear and depreciation expense. Value added tax was also exempted for the entrepreneurs registering for VAT who donated goods to flood victims. The deadline for the submission of tax forms and tax payments was extended for entrepreneurs in the flood-hit areas with an exemption of fine, surcharge, and penalty fines.

5. Other Measures:

The Ministry of Industry has operated:

5.1 Industry Clinic Project for recovering the location of small and medium enterprises damaged by flooding with the objectives of assisting small and medium enterprises, community enterprises, manufacturing sector related to production outside the industrial estates affected by flood to be able to resume the manufacturing system and normal operation rapidly. Primarily, the locations of enterprises covering the areas of 22 provinces were surveyed with the objective of helping 5,000 flood-affected entrepreneurs. There were 61 teams comprising consultants from the Ministry of Industry, academics, and volunteers

from the private sector offering close consultancy. There was a total of 316 consultants.

- 5.2 Establishing Industrial Shelter Project** for temporarily assembling and storing machinery tools and products while restoring enterprises both located in and outside the industrial estates as well as entrepreneurs in the supply chain. At the moment, there are four areas of public agencies, five industrial estates, and one area provided by the private sector in Phra Nakhorn Si Ayutthaya, Ratchaburi, Chonburi, Rayong, and Phitsanulok.
- 5.3 Providing consultancy as regards the repair and restoration of machinery in time of and after flooding.** The Central Office For Machinery Registration, the Department of Industrial Works, in collaboration with King Mongkut's University of Technology North Bangkok, provide consultancy and advice as concerns the repair of machinery during and after flooding, and compile a manual for the improvement and restoration of machinery along with a case study as guidelines of repairing and restoring machinery.
- 5.4 Announcing Exemption of Annual Fee** for enterprises, the Department of Industrial Works is not charging a renewal license fee for five years.

Evaluation of SME Promotion under the 2nd SME Promotion Master Plan (2007 - 2011) of Thailand



Chapter 11

Evaluation of SME Promotion under the 2nd SME Promotion Master Plan (2007 - 2011) of Thailand

The Office of Small and Medium Enterprises Promotion (OSMEP) has conducted a study of the status of small and medium entrepreneurs between 2007 and 2010 as regards the major issues reflecting the results of the promotion according to the strategic direction under the 2nd SME Promotion Master Plan (2007 - 2011), alternatively called the SME Promotion Master Plan.

It began from studying the 2nd SME Promotion Master Plan, revising objectives and indicators at the strategic level, as well as 530 relevant SME promotion projects of the country between 2007 and 2010. Indicators were studied by comparing six agencies in Thailand: the Office of the National Economic and Social Development Board (NESDB), the Office of the Permanent Secretary for Industry, the Department of Industrial Promotion, the Office of Industrial Economics, the Department of Business Development, and the Department of Export Promotion; and the international indicators from five organizations: APEC (Asia-Pacific Economic Cooperation), OECD (Organization for Economic Co-operation and Development), World Bank, ASEAN (Association of South East Asian Nations), and European Commission. The purpose of this study was for application in developing proper indicators. Definition, methods/calculation, and source of information used in the study were specified. In addition, in considering the selection of indicators, both quantitative and qualitative, for the evaluation of the Thai SME promotion status, a brainstorming meeting among agencies related to SME promotion was organized. Relevant secondary and primary information was also collected for evaluation.

From the abovementioned operational process, the specification of indicators to reflect the results of development according to the strategic direction under the 2nd SME Promotion Master Plan required two sets of information for analysis: 1) secondary information acquired from relevant agencies, and 2) primary information obtained from the survey of the status of SME enterprises, using empirical information to analyse the development results covering Key Result Indicators for each strategy. The sample group consisted of 1,202 SME enterprises registered as juristic entities classified according to the types of enterprises as follows: 400 samples from the manufacturing sector, 401 from the trade and maintenance sectors, and 401 from the service sector.

The issues regarding the status of small and medium enterprises (SMEs) from 2007 to 2010 under the 2nd SME Promotion Master Plan are:

Strategy 1 Capacity Building for Entrepreneurs

- **Standard Development of Enterprises** According to the survey of 1,202 SME entrepreneurs who are juristic entities, concerning the acquisition of standard certification of enterprises such as Q-Mark, and ISO, the small number of SME entrepreneurs applied for certification and only 10.7% were successfully granted one, mostly international certification. In addition, some entrepreneurs had an advisor from the government agencies mainly perform the operation while some used their knowledge and capabilities. In terms of the standards of Thai enterprises, there are four types. The highest type of certification SME entrepreneurs received was quality, followed by sanitation and safety, environment, and social responsibility respectively. Most operations in acquiring the standard certification (69.4%) encountered neither problems nor impediments. In the meantime, those who faced problems and obstacles (30.6%) were of the opinion that to apply for standard certification is costly, entrepreneurs have inadequate knowledge, and the service regarding the standard certification provided by the government sector is usually slow.

- **Development of Entrepreneurs' Competence in Business Operation** A study of the information of projects of agencies responsible for SME promotion showed that between 2007 and 2010 there was a total of 120 projects creating and developing SME entrepreneurs, 31,945 promoted enterprises or on average approximately 7,986 enterprises a year, and 1,176,419 promoted personnel or on average approximately 294,105 persons a year.

- **Access to International Markets** From studying the information of Thai SME export from 2007 to 2010, the average growth rate of total SME exports was 3.63%. The three categories with the highest growth rate of export in 2010 were rubber and rubber articles being the first, plastic and plastic-made articles the second, and then machinery, computers and accessories. It also showed that most export entrepreneurs mainly had the domestic market or customers. Some entrepreneurs were able to export to the international market or customers. SME entrepreneurs with export competence held 10 to 50% of export markets.

Strategy 2 Enhancing the Productivity and Innovation Competence of SMEs' Manufacturing

- **Manufacturing Structure of Thai SME Entrepreneurs** The results of the survey of SME entrepreneurs showed that the majority of SME entrepreneurs manufactured their goods mainly for domestic distribution, with a small proportion manufacturing for export. The main manufacturing type was original brand manufacturer (OBM).

- **Enhancing Competence of SME Entrepreneurs and Personnel as Regards Business Operations of SMEs in the Manufacturing Sector** A study of the operating results of agencies involved in SME promotion between 2007 and 2010 indicated that there were 114 projects related to the promotion and development of SME entrepreneurs in the manufacturing sector, 17,027 promoted enterprises or on average around 4,257 enterprises a year, and 65,681 promoted personnel or on average 16,420 persons a year.

- **Acquiring the Product Standard Certification of SMEs in the Manufacturing Sector** According to the survey of a sample group of 400 SME entrepreneurs in the manufacturing sector registered as juristic entities, merely 88 SME entrepreneurs, or 22%, in the sector obtained product standard certification at national and international levels. Furthermore, this was mainly product standard certification at the national level.

- **Conducting Research for Product Development** The survey of a sample group of 400 SME entrepreneurs in the manufacturing sector highlighted the issue of conducting research for product development such as the design and development of products and packaging to satisfy customers' need, adjustment of manufacturing method according to customers' order of purchase, and formula development by changing raw materials used in manufacturing. Of 24.7% of SME entrepreneurs in the manufacturing sector, most conducted research and developed their products themselves.

Strategy 3 Enhancing Efficiency and Alleviating Impact on the Trade Sector

- **Enhancing Competence of SME Entrepreneurs and Personnel as Regards Business Operations of SMEs in the Trade Sector** From a study of the operating results of agencies involved with SME promotion between 2007 and 2010, there were 13 projects relating to the creation and development of SME entrepreneurs in the trade sector, 123 promoted enterprises or on average around 31 enterprises a year, and 4,428 promoted personnel or on average around 1,107 person a year.

- **Impact of Large Retail Business on SMEs in the Trade Sector** According to the survey of 400 SME entrepreneurs in the trade sector, the majority of SME entrepreneurs in the sector (62.8%) were negatively affected, with 36.7% not affected and merely 0.5% of SME entrepreneurs obtaining benefits. The most negative impact on SMEs in the trade sector was more competitions in the retail business. Furthermore, when asked about areas in need of assistance from the government sector for preventing or alleviating the impact of large retail business, 52.8% of entrepreneurs

stated that they needed help from the government sector. The major issues that SME entrepreneurs in the trade sector needed most assistance in from the government sector were finance, marketing and management, the government sector regulations, and personnel respectively.

- **The Use of Internet or E-Commerce for Business Operation of the Trade Sector** According to the survey of 401 SME entrepreneurs in the trade sector regarding the issue of using the Internet for business operation to advertise stores and goods, online buying and selling through the Internet or E-Commerce, the majority of SMEs in the trade sector or 68.8%, mostly in Bangkok and its vicinity, used a great deal of Internet in advertising stores and products, and a smaller number of SME entrepreneurs used the Internet for E-Commerce. When being asked the main reason why SME entrepreneurs in the sector used E-Commerce in operating their business, most SME entrepreneurs were of the opinion that it was the most convenient and effective use of their time.

Strategy 4 Promoting the Service Sector to Create Value and Added Value

- **Enhancing Competence of SME Entrepreneurs and Personnel as Regards Business Operations of SMEs in the Service Sector** According to the study of the operating results of agencies involved with SME promotion between 2007 and 2010, there were 15 projects relating to creation and development of SME entrepreneurs in the service sector, 651 promoted enterprises or on average around 163 enterprises a year, and 287,801 promoted personnel or on average around 71,950 persons a year.

- **Using ICT in Business Management of the Service Sector** The result of the survey of 401 SME entrepreneurs in the service sector showed that the majority of SME entrepreneurs (95.5%) in the sector greatly used information or computer technology in operating business. Most of them agreed that it was useful for enhancing work efficiency, and improving the image of an organization. The first top three systems using ICT in managing SME entrepreneurs' business are accounting, salary, and

buying and selling. The type of software most used in operating business was ready-made software (such as Microsoft Office).

- **Applying the Concept of Creative Business Commercially in the Service Sector** The result of the survey of 401 SME entrepreneurs in the service sector showed that the majority of SME entrepreneurs (71.1%) did not obtain news and information about the commercial application of creative business. In addition, the first three areas where creative business was applied commercially to increase value and added value of products were cultural and natural heritage, creative work and design, and media and arts respectively.

Strategy 5 Promoting SMEs in the Regions and Localities

- **Enhancing Competence of SME Entrepreneurs and Personnel as Regards Business Operations of SMEs in the Regions** According to the study of the operating results of agencies involved with SME promotion between 2007 and 2010, there were 86 projects related to the creation and development of SME entrepreneurs in the regions, 61,040 promoted enterprises or on average around 15,260 enterprises a year, and 1,417,034 promoted personnel or on average 354,259 persons a year.

- **Obtaining Product Standard Certification of SMEs in the Regions** The study showed that between 2007 and 2010 there were 15,145 persons receiving Thai Community Product Standard. Of this number, 5,150 lived in the northeast, 4,966 in the central, 3,364 in the north, 1,287 in the south, and 378 in the east.

- **Cluster of SME Entrepreneurs in the Regions** For the study of the cluster of SME entrepreneurs, the data was collected from two industrial sectors: 113 clusters in the manufacturing sector, and 11 clusters in the service sector. Of this number, 41 clusters of SME entrepreneurs were in the north, 30 in the central, 28 in the northeast, 19 in the south, and 6 in the east.

Strategy 6 Developing Enabling Factors for SMEs' Business Operations

- **Accessing Financial Service Sources** The survey of 1,202 SME entrepreneurs regarding the issue of accessing financial service sources indicated that 50.6% of SME entrepreneurs never requested financial services mainly because they had sufficient capital. Moreover, 41.8% were those given financial service by financial organizations. Most of this number were mainly entrepreneurs in the manufacturing sector. The type of financial service most requested by SME entrepreneurs was overdraft (O/D). The main purpose of obtaining financial services was to obtain revolving capital for business. Of SME entrepreneurs, 7.6% applied for service but were not approved due to lack of collateral.

As concerns problems and obstacles in requesting financial service, SME entrepreneurs in such circumstances accounted for 40.64%. The problem was, mainly, they received small financial amounts inadequate to run business. Other problems were delay in approval and lack of collateral.

- **Using Technology and Development Research** According to the survey of 801 SME entrepreneurs as regards the issue of accessing technology service sources and obtaining technology service as well as research and development in the manufacturing and service sectors, the minority of SME entrepreneurs (15.5%) received technology service. Of this number, most were in the manufacturing sector rather than the service sector. In the overall picture, the type of technology obtained was laboratory services to perform tests/product checks.

The first three major problems in accessing and receiving technology service were: 1) inadequacy of source of technology service, 2) service available at each place not matching purpose of acquiring service, and 3) not knowing how to locate technology service compatible with need, respectively.

- **Accessing News and Information, and Public Sector Regulations** After surveying 1,202 SME entrepreneurs on the subject of obtaining information, news, and public sector regulations, it was found out that the majority of SME entrepreneurs (75.8%) were aware that government agencies provided support in terms of information and public sector regulations. However, only a few of them applied for the service. The types of service SME entrepreneurs used most were marketing, manufacturing and finance respectively.

- **Promoting and Developing Support Factors for SME Entrepreneurs and Personnel as Regards Business Operations** The study of the operating results of agencies involved with SME promotion between 2007 and 2010 showed that there were 182 projects relating to the promotion and development of support factors for SME entrepreneurs and personnel as regards business operations, 161,382 promoted enterprises or on average around 40,346 enterprises a year, and 3,179,617 promoted personnel or on average around 794,904 persons a year.

Summary of Operating Results of SME Promotion Projects in the Fiscal Year 2011 under the Framework of the 2nd SME Promotion Master Plan (2007-2011)



Chapter 12

Summary of Operating Results of SME Promotion Projects in the Fiscal Year 2011 under the Framework of the 2nd SME Promotion Master Plan (2007 - 2011)

To promote and develop SMEs under such plan, the Office of Small and Medium Enterprises Promotion (OSMEP) relied on the SME promotion fund as a tool and main mechanism in pushing forward operations to promote SMEs to be in compliance with the direction of the country's SME Promotion Master Plan. In so doing, OSMEP provided support in terms of budget for operating projects under the framework of the annual promotion plan to implementing agencies ready and willing to participate in operating SME promotion projects. Furthermore, OSMEP followed up, on a yearly basis, the results of progress and operating results of the projects carried out by the implementing agencies obtaining the SME promotion budget in order to assure that SME promotion had support information sufficient to reflect the overview of project operations, problems, hindrance, and limitations of the operating process of relevant activities. This information was of great use for analysing the linkage of development as well as the evaluation of the achievement of each project - a core of policy process during the stage of governance, follow-up, and evaluation. This information was for the executives to use in decision making as regards policies appropriate for the operation of SME promotion in the next phase. The overview of the operations of SME promotion projects using the budget under the SME Promotion Plan covering the period of five years can be summarized in terms of the dimensions of the overall numbers of projects and budgets for project operations as follows:

After collecting information on the overview of operations of SME promotion projects classified by the strategic framework of the 2nd SME Promotion Master Plan (2007-2011), there were found to be 260 projects operating with a budget under the SME Promotion Plan (budget from the SME Promotion Fund) throughout the duration of the plan starting from 2007 to 2011. The total operating budget of the projects was 4,224.06 million baht. The operating results of the projects classified by SME promotional trends in the dimensions of the amount of projects and the operating budget for SME promotion are concluded below:

1) There was a total of 25 projects (9.6%) for creating and developing SME entrepreneurs (Strategy 1). The budget for supporting SME entrepreneurs totalled 775.26 Million Baht, or an equivalent of 18.4% of the total budget throughout the SME Promotion Plan.

2) There was a total of 94 projects (36.2%) for developing the potential and innovation competence of SMEs in the manufacturing sector (Strategy 2). The budget for supporting SME promotion was 1,121.94 million baht (26.6%).

3) There was a total of 8 projects (3.1%) for strengthening the efficiency and lessening the impact on the trade sector (Strategy 3). The budget to operate the projects was worth 67.28 million baht (1.6%).

4) There was a total of 14 projects (5.4%) for promoting the service sector to establish value and added value (Strategy 4). The budget for project operation was 160.73 million baht (3.8%).

5) There was a total of 52 projects (20.0%) for promoting SMEs in the regions and localities (Strategy 5). The budget for project operation totaled 644.10 Million Baht (15.2%).

6) There was a total of 67 projects (25.8%) for developing the support factors of SMEs' business operations (Strategy 6). The budget for project operation was 1,454.75 Million Baht (34.4%).

Following up on the operating results of SME promotion projects in accordance with the strategies of the 2nd SME Promotion Master Plan by co-operating with

agencies using the budget from the SME Promotion Fund under the SME Promotion Master Plan at the end of December 2011, it was found out that there were SME promotion projects in compliance with the four strategies of the plan (according to the details of the analysis of the overview of SME promotion described above). The participating agencies operated and completed 16 projects for promoting SMEs according to the plan with the total budget of 204.76 million baht. The operational period of another two projects has been extended in order that the project operations are more efficient and effective.

The analytical results of the dimension regarding the results of SME development in four major areas—individual level, enterprise level, products, innovation and intellectual properties, and infrastructure favorable to SMEs' business operations—are presented below:

Development at the individual level is the analysis of development results among entrepreneurs or personnel, employees working for enterprises, including those interested in becoming new entrepreneurs, and personnel involved with SME promotion in different areas. The knowledge bodies and business management skills have been developed both in terms of general knowledge bodies and specific knowledge bodies through seminars, training, and workshops from which 13,806 people obtained the benefits.

Development at the enterprise level is the analysis of development results assisting enterprises or SME business to strengthen their business capacity through the process of consultancy including in-depth consultancy regarding business operations in several areas, both overall and specific business. There were 1,220 SME enterprises obtaining benefits. In addition, the promotion helped create group forming and participation in a network of SME entrepreneurs—28 community manufacturer groups and five entrepreneur networks.

Development of products, innovation and intellectual properties is the analysis of the SME promotion results of the projects that help develop products, packaging, as well as create innovation leading to registering intellectual properties for products and services of entrepreneurs. The operation of SME promotion projects using the budget under the SME Promotion Plan 2011 helped develop new products and packaging meeting market demand such as fashion clothes, packaging for vegetables and fruit, furniture, and souvenirs. The total number of products was 1,147.

Development of infrastructure favorable to SMEs' business operations is the analysis of SME promotion results encouraging SMEs' business operations to be more efficient and effective by developing the infrastructure system to be favorable to SMEs' business operations. The operation of SME promotion projects using the budget under the SME Promotion Plan 2011 helped promote SME business to proceed more efficiently. The details of which are:

- 1) Establishing a service center providing SMEs with consultancy and suggestions in nine areas with the objective of solving problems and promoting SMEs' business operations.
- 2) Establishing one cooperative as a buying and selling center to promote and support the business operations of the community enterprise group in Yala province.
- 3) Compiling a database of logistics service providers and SME entrepreneurs in the vegetable and fruit business.
- 4) Compiling eight community business plans in Yala
- 5) Providing support in terms of marketing by business matching, and the meeting for trade negotiations with neighboring countries in which 447 SME enterprises participated.