



Press Release:

Thai Directors Emphasize More on Business Sustainability; See Mild Economic, Political Improvement While Corruption Remains Key Obstacle

March 18, 2015 –The result of Thai Director Survey 2015 indicated a positive sign that directors will emphasize more on long-term business prospect and business sustainability in performing their duties as directors over the next 1-3 years though they are currently focusing mainly on financial figures and short-term regulatory issues. Most Thai directors see domestic economy and political condition improving slightly this year while corruption remains key obstacle to business operations. On regulatory front, most directors rate policies of the current government as fairly supportive while suggesting that the government should set development priorities on education reform, infrastructure, and public governance.

The **Thai Director Survey on Director Issues, Corporate Governance, Economic Outlook, and Regulation** was initiated in 2015 by the Thai Institute of Directors Association (IOD) to assemble views of directors on issues relevant to the economy, regulations and their duties as directors. The survey was conducted between January 12, 2015 and February 25, 2015, with responses from 436 directors with a diverse experience in terms of type and size of business, fairly representing the overall views of directorship in Thailand with respect to the issues raised.

On **director issues and corporate governance (CG)**, the survey result shows that Thai directors have been focusing largely on financial status and discussing it in each and every meeting while they only occasionally discussed issues about executives such as CEO succession plan and remuneration of executives. In performing their duties, directors view that they should take more active roles in business environment analysis, risk management, and determination of business strategies to ensure sustainable business growth. This implies a positive sign that Thai directors will emphasize more on long-term business prospect.

“The roles of today’s directors are not restricted to consideration of issues proposed by the management but they must be able to provide guidance to management in order to drive the organization toward pre-determined strategies,” said Dr. Bandid Nijathaworn, President & CEO of the IOD.



Regarding **Rules, regulations, and government support**, some 58 percent of Thai directors rate policies of the current government as fairly supportive to their businesses while another 29 percent view the policies as little supportive. On level of regulatory requirements, some 49 percent believe there are too many regulations that make it inconvenient for businesses to comply while 42 percent consider the current level of regulatory requirements appropriate.

In addition, Thai directors view that the government should focus their development policies on three key issues including 1) public governance strengthening to tackle corruption; 2) infrastructure project investment to boost competitiveness and; 3) education reform to prepare human resources for regional business liberalization amid the upcoming ASEAN Economic Community (AEC).

Regarding **Thai directors' view on the Thai economy**, some 46 percent of Thai directors see economic prospect improving slightly this year while 31 percent anticipate stable economic condition and 18 percent expect the economy to worsen slightly. Thai directors also closely monitor domestic political development as it is a crucial factor that could generate significant impact on businesses. Some 42 percent of directors expect political situation to improve slightly this year and another 11 percent foresee a substantial improvement while 29 percent anticipate a stable political condition.

Although Thai directors generally take a more positive view toward overall economic trend this year, they also express concerns over crucial obstacles to business operations that include corruption (54 percent), shortage of quality labor with required skills (48 percent), and too many regulations/too many complicated processes in dealing with government agencies (36 percent). It should be noted that the most concerned issues are those related to the public sector, which need to be fixed to maintain and enhance Thailand's overall competitiveness in the long run.

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