

Foreword

This report examines how to develop SME and entrepreneurship policy in Thailand to strengthen Thailand's regional innovation clusters and the sectors that will act as engines for Thailand's future growth. In particular, it examines the policy developments needed to strengthen the innovation cluster in Chiang Mai and Chiang Rai in the North of Thailand, built around the advanced agriculture and biotechnology and food-for-the-future sectors, and draws broader lessons for Thai SME and entrepreneurship policy.

National public research and development (R&D) activities in biotechnology are delivering R&D-based innovations with high commercialisation potential in advanced agriculture and biotechnology and food-for-the-future. However, there is insufficient exploitation of these technologies by Thai enterprises. A shift is therefore needed in Thai SME and entrepreneurship support towards deeper and more targeted finance and advice for existing and potential start-ups and scale-ups with high potential to integrate R&D-based technologies in their products and reach out to international markets.

To make that shift, this report recommends introducing a range of new SME and entrepreneurship policies. It argues that measures are needed to strengthen skills, ease access to financing and overcome barriers in regulation within the Chiang Mai and Chiang Rai regional entrepreneurial ecosystem. It calls for the introduction of a new "fast track" stream of business development services alongside existing basic generic business advice for the regional innovation cluster. This "fast track" support stream would be aimed at high-growth potential start-ups and scale-ups in regional innovation clusters. It would offer more intensive, specialised and higher-quality support than currently available for the typical SME. The report also calls for the creation of a regional cluster management organisation to co-ordinate a range of networking and collaboration projects in Chiang Mai and Chiang Rai with an emphasis on supporting the introduction of technological innovations in potential start-ups and scale-ups through linkages with science parks, universities and research organisations. As well as supporting development in Chiang Mai and Chiang Rai, these measures can be rolled out more widely across Thailand's potential future growth sectors. The Office of Small and Medium-Sized Enterprise Promotion (OSMEP) has a key role to play in this agenda, in partnership with other government ministries and agencies.

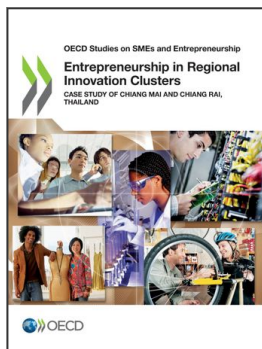
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The project was led by Dr. Jonathan Potter, Head of the Entrepreneurship Policy and Analysis Unit, CFE, OECD, who also edited the report. The report was drafted by the following team: Thanchanok Suwanprasert and Wichai Limpitikranon (Kenan Foundation Asia – focus on the regional economy), Helen Lawton Smith (Birkbeck, University of London – focus on the regional entrepreneurial ecosystem), Lois Stevenson (consultant, Canada – focus on business development services), Dimitris Assimakopoulos (EM Lyon, France – focus on foreign direct investment and SME linkages) and Bjorn Asheim (University of Stavanger, Norway – focus on clusters and new path development).

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