

Science and Technological Development in Thailand and the MNEs

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Foreign multinational enterprises (MNEs) have played a major role in stimulating the science and technological (S&T) development of manufacturing industries in Southeast Asia in general and Thailand in particular. However, the contributions to technological development by the MNEs are obviously greatly influenced by the host country's factor endowments and economic development policies.

This paper examines the current state of S&T development in Thailand and the roles of MNEs. The paper is divided into six sections. The first part reviews previous literature on theories of technology transfer by MNEs and the National Innovation System (NIS). The second part discusses the current state and problems of S&T development in Thailand. The third part examines to what extent MNEs have invested in R&D activities comparing to local enterprises. The fourth part considers Thaksin's governmental strategies on S&T development including industrial clusters policy and Thailand Science Park. The fifth part focuses more on the relationship with Japan, since Japan is the largest trader, investor, and lender of Thailand. The paper concludes by examining likely possible future developments.