

# **Transforming Towards The Service Based Economy**

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- 
- **Global Structural Change**
  - **Global Opportunities**
  - **Building a Service Based Economy**
  - **Crafting a Service Based Business Model**



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# Civilization in the Making

Between  
1000-1800

19<sup>th</sup>  
Century

21<sup>st</sup>  
Century

Society

Static

Growth

Dynamic

Centricity

Local

International

Transnational

Community

Rural

Urban

Virtual

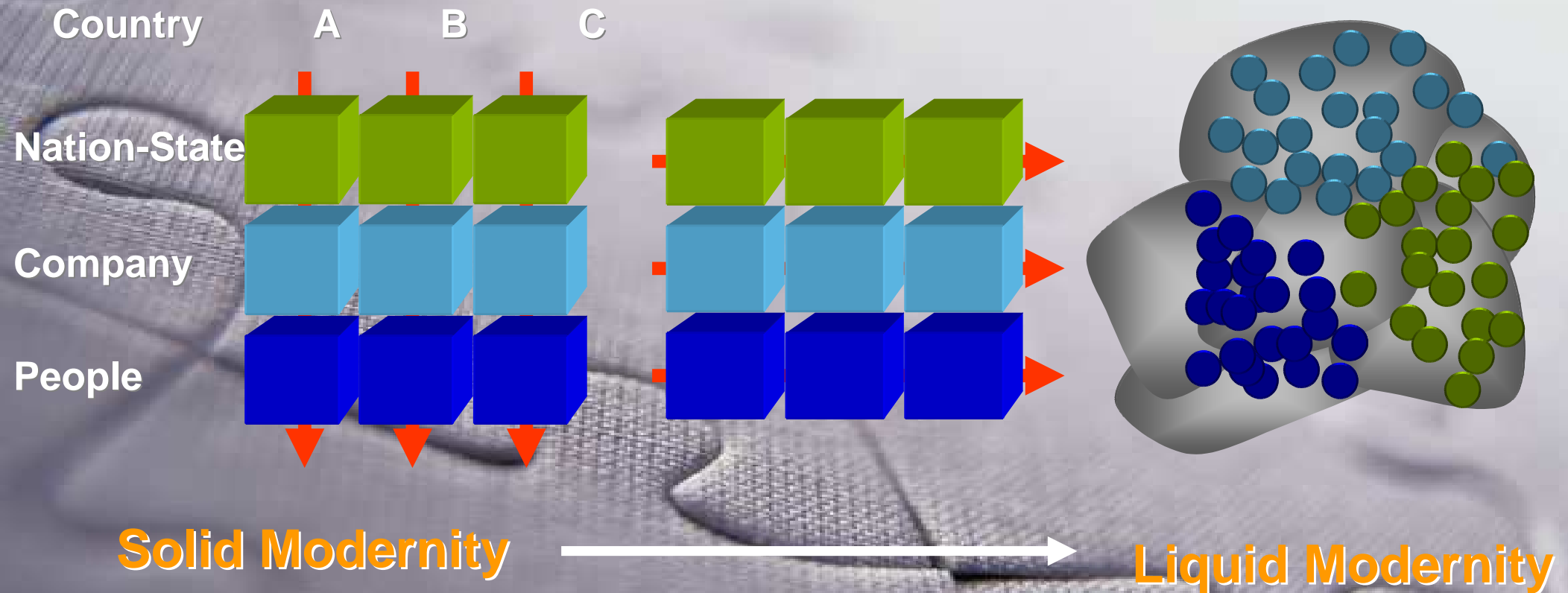
Pace of Change

Months

Days

Seconds

# Globalization changes the State of Nature



- Connectivity
- Interactivity
- Mobility
- Virtuality



# Paradigm Shifts

## Solid Modernity

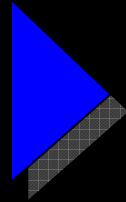


## Liquid Modernity

- |                        |                           |                              |
|------------------------|---------------------------|------------------------------|
| •Mass Production       | •Mass Customization       | •Creative Collaboration      |
| •Corporate Governance  | •Market Governance        | •People Governance           |
| •Economies of Scarcity | •Network Externality      | •Economies of Reciprocity    |
| •Owning the Asset      | •Gaining the Access       | •Empowering the People       |
| •Consumer/Producer     | •B2C Prosumer/ Co-Creator | •P2P Prosumer                |
| •Market Segmentation   | •Value Chain Integration  | •Open Innovation/ Creativity |
| •Goods for Elite       | •Goods for Everyone       | •Goods For/By Everyone       |

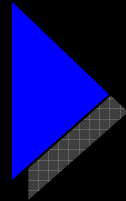
# Floods of Democratization

Democratization of  
Information



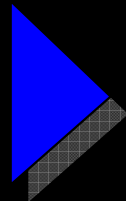
From Asymmetric Information  
to Symmetric Information

Democratization of  
Ownership



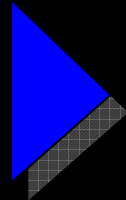
From Private Investors  
to Citizen investors

Democratization of  
Innovation



From Intellectual Property  
to Wisdom of the Crowd

Democratization of  
Consumption



From the Top of Pyramid  
to the Bottom of Pyramid

# Sectoral Shift

## GDP Composition (%) 2004

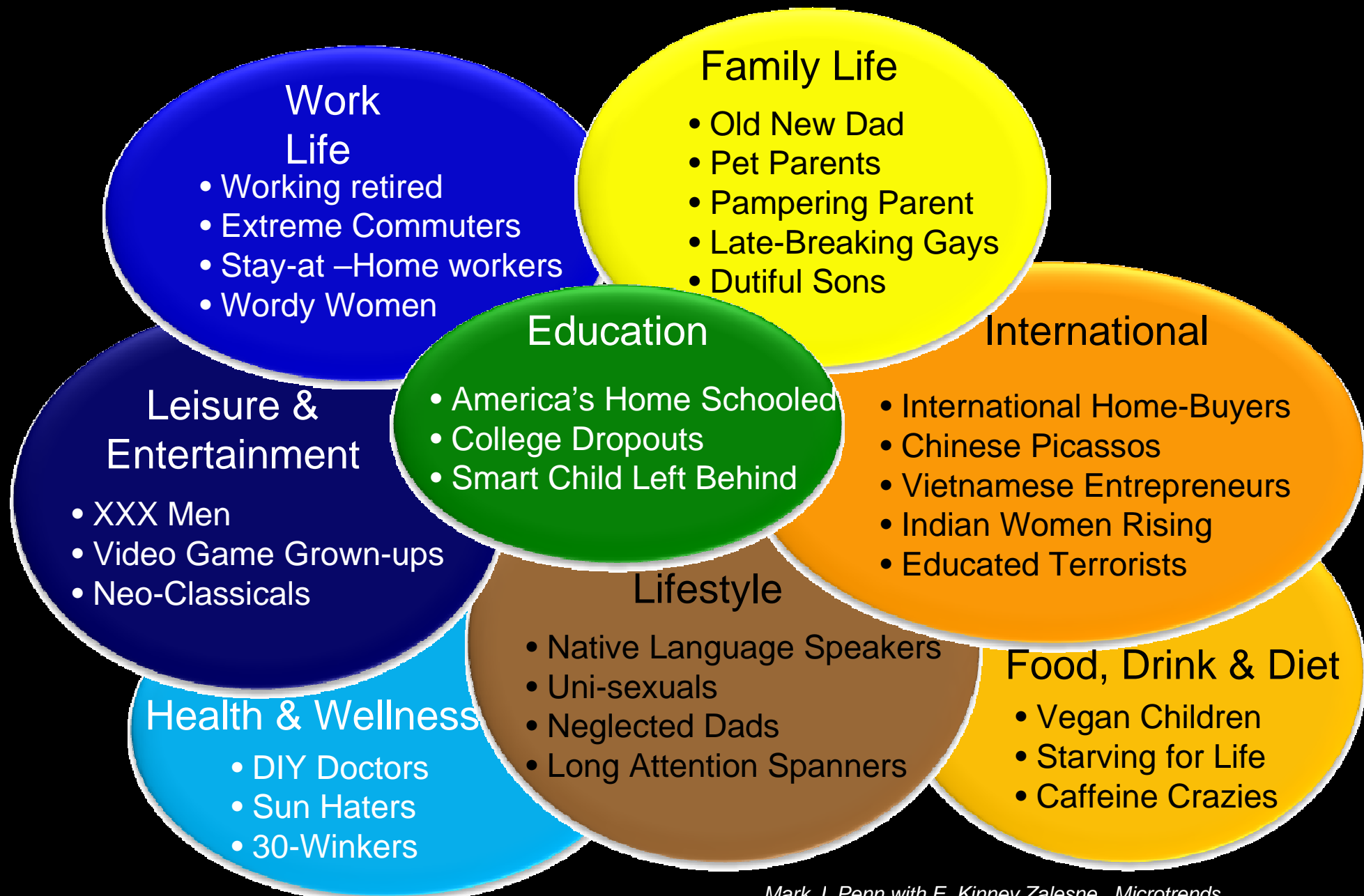
Country	GDP		GDP Composition (%)		
	Mil US\$	% Value	Agriculture	Manufacturing	Services
<b>The World</b>	55,500,000	100.0%	4.0	32.0	64.0
<b>USA</b>	11,750,000	21.2%	0.9	19.7	79.4
<b>China</b>	7,262,000	13.1%	13.8	52.9	33.3
<b>Japan</b>	3,745,000	6.7%	1.3	24.7	74.0
<b>India</b>	3,319,000	6.0%	23.6	28.4	48.0
<b>Australia</b>	611,700	1.1%	3.4	28.2	68.4
<b>Thailand</b>	524,800	0.9%	9.0	44.3	46.7
<b>Peru</b>	155,300	0.3%	8.0	27.0	65.0
<b>New Zealand</b>	92,510	0.2%	4.6	27.4	68.0



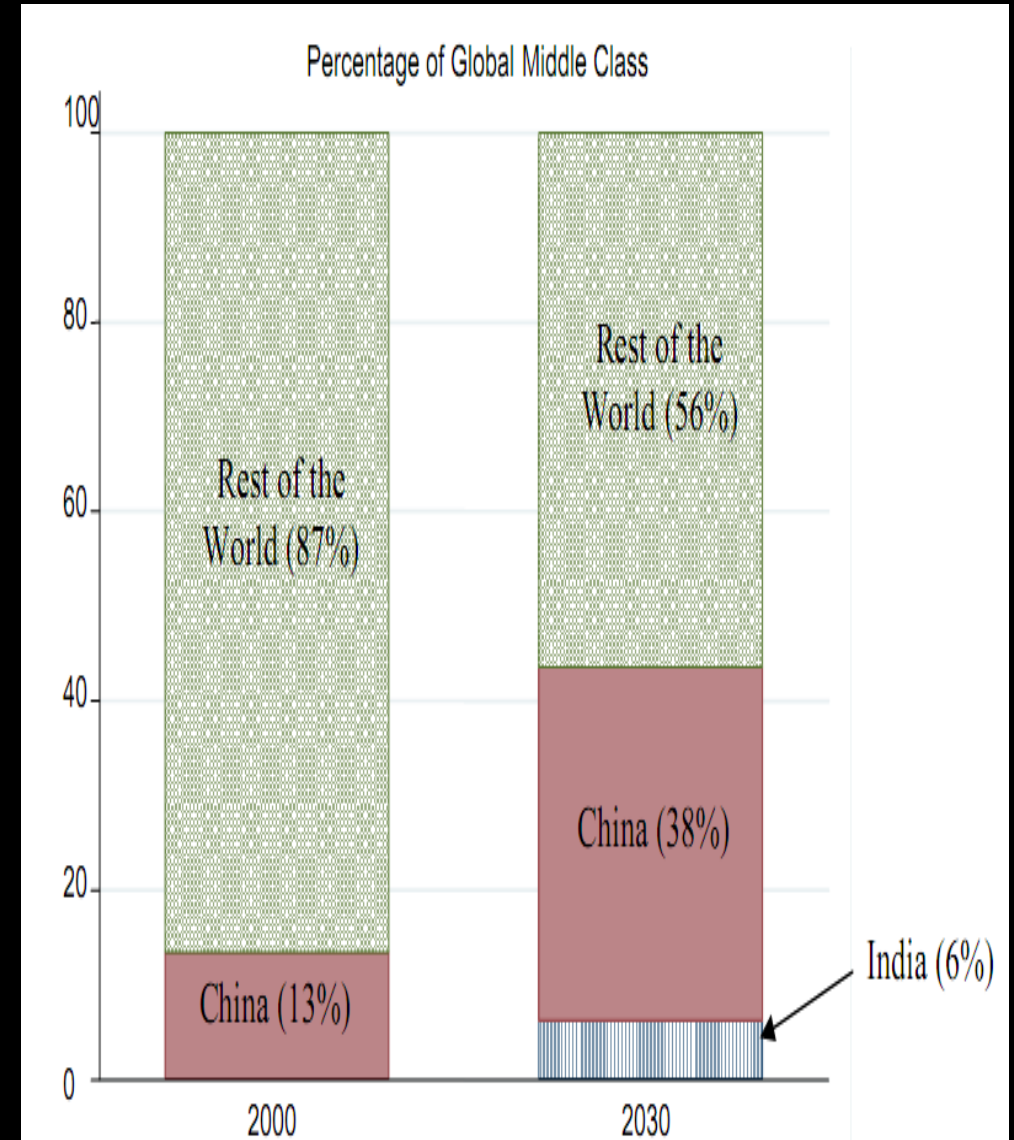
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# Global Trends

## *The New Art of Living*

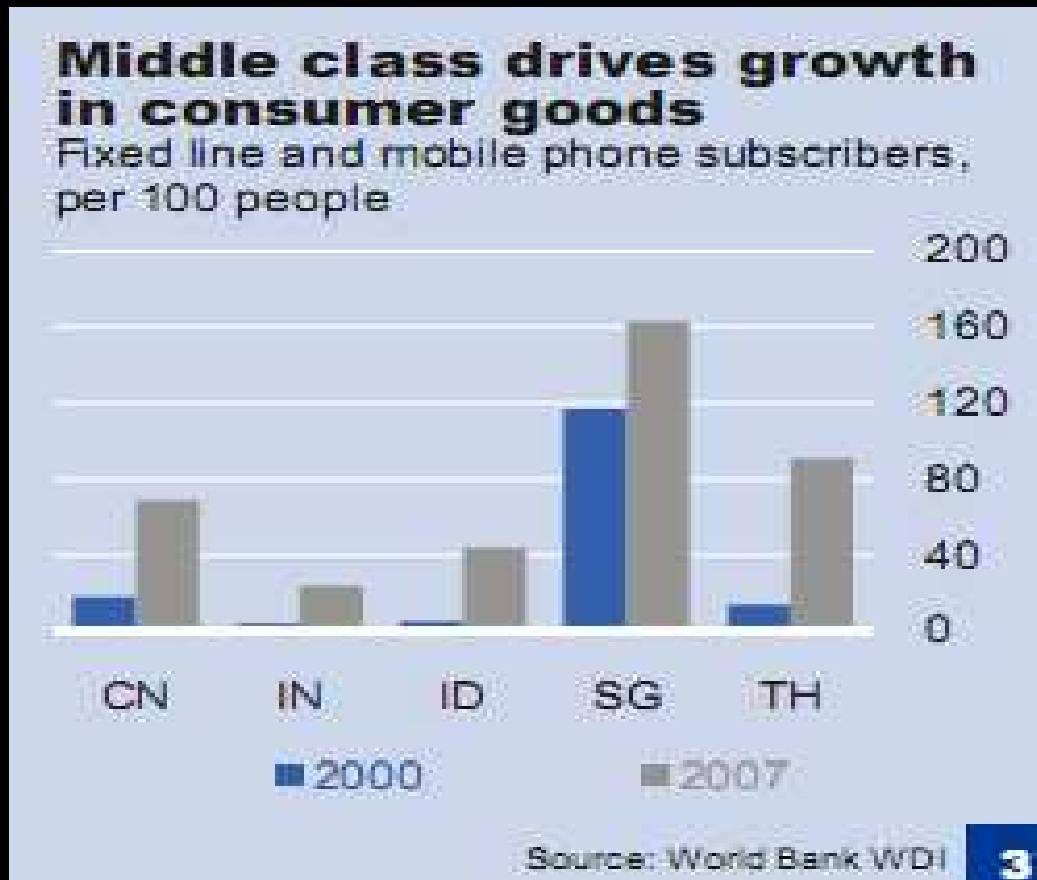


# An Emergence of the New Global Middle Class



Source: Bussolo, Maurizio (2007)

...This can help explain the boom in consumer products such as televisions and mobile phones throughout Asia

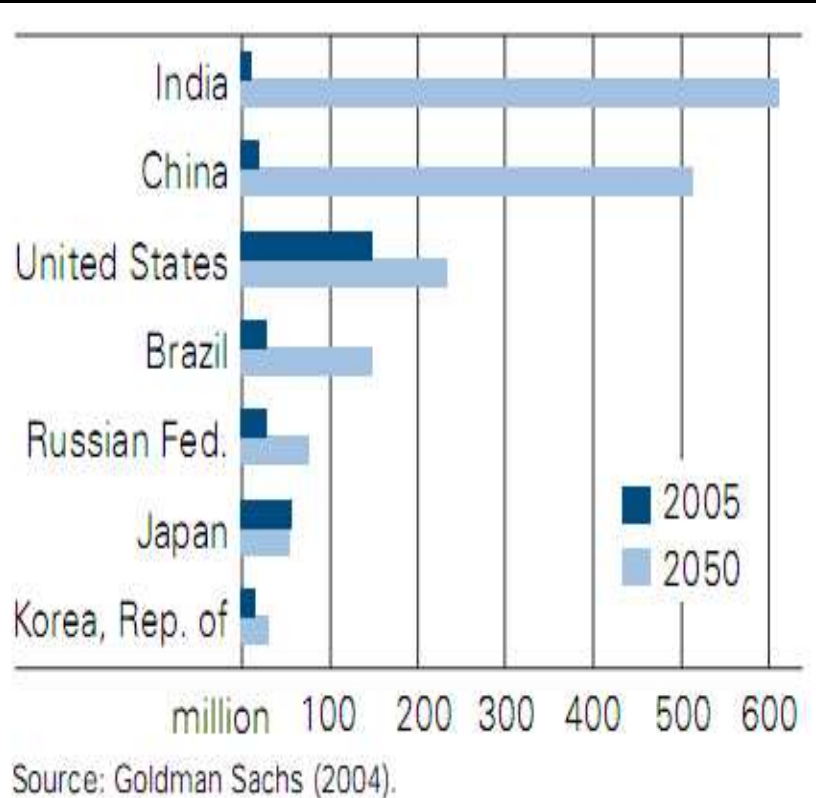


As of 2007, India had more cell phone users than the United States, while China had twice as many



# Car ownership rises as income grows

## Number of Cars Owed

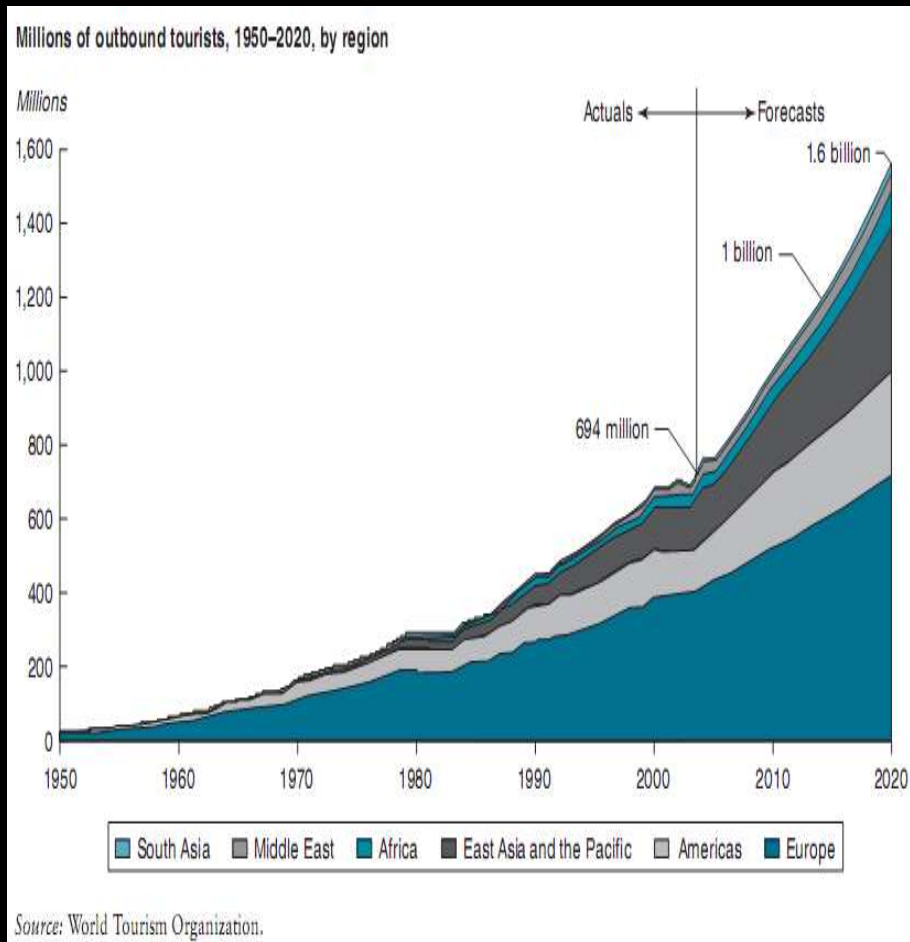


- Automotive industry is growing at an unprecedented speed in developing Asia, with China, India, and the ASEAN economies as the major growth markets for the Asian automotive industry
- By 2025 China could overtake the US as the country with the most cars in the world—around 200 million in all
- Moreover, there will be flow-on effects across the board--More cars mean more roads, more demand for demand for insurance, more service stations; more tourists mean more aircraft, airports, customs officers, metal detectors, hotels, and demand for souvenirs

From January through August 2009, more passenger cars were sold to Chinese consumers than to their American counterparts

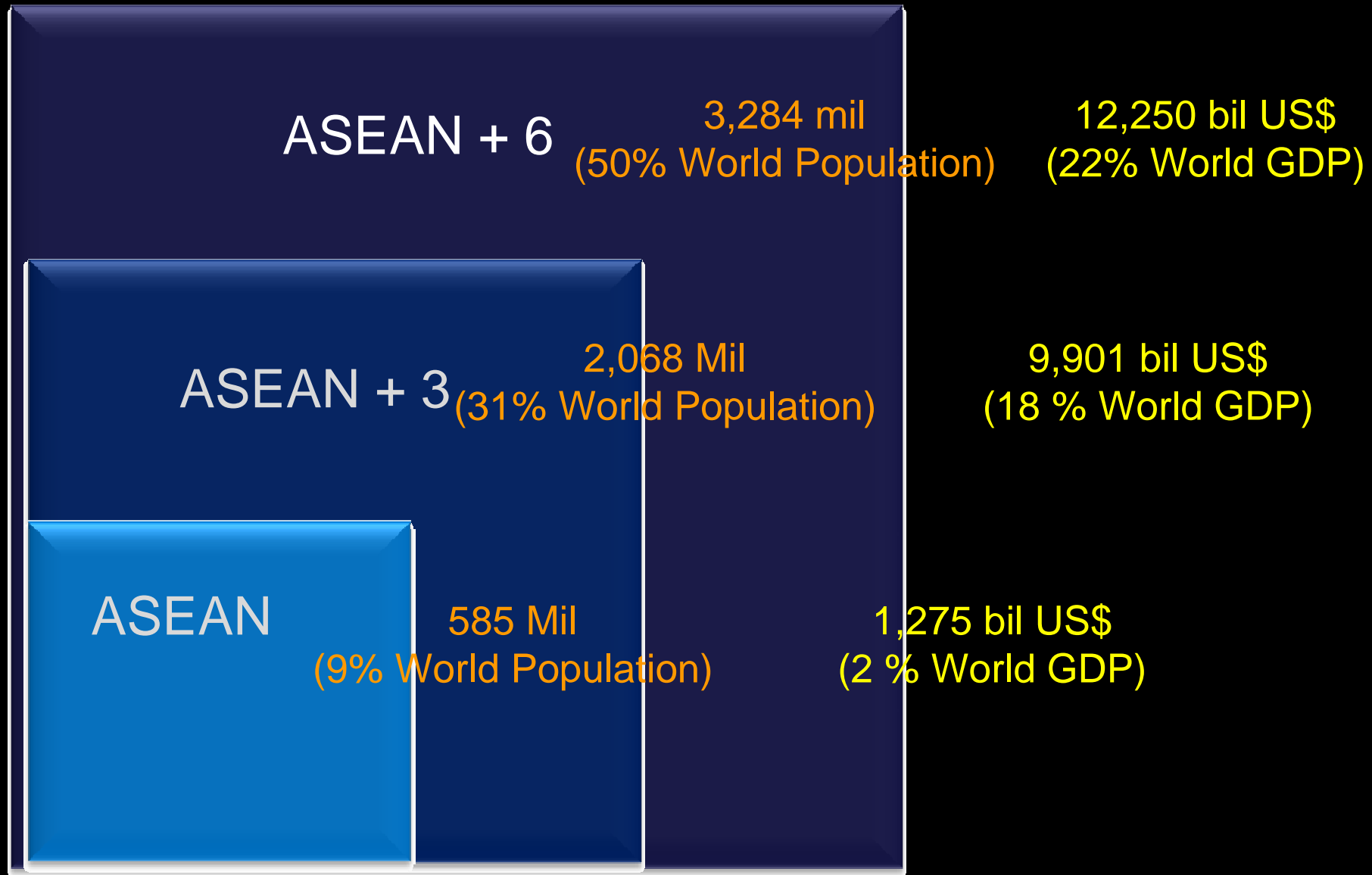
# Demand more and better services-- Education, Health, and International Tourism

**World Tourism is expected to double between 2004 and 2020**

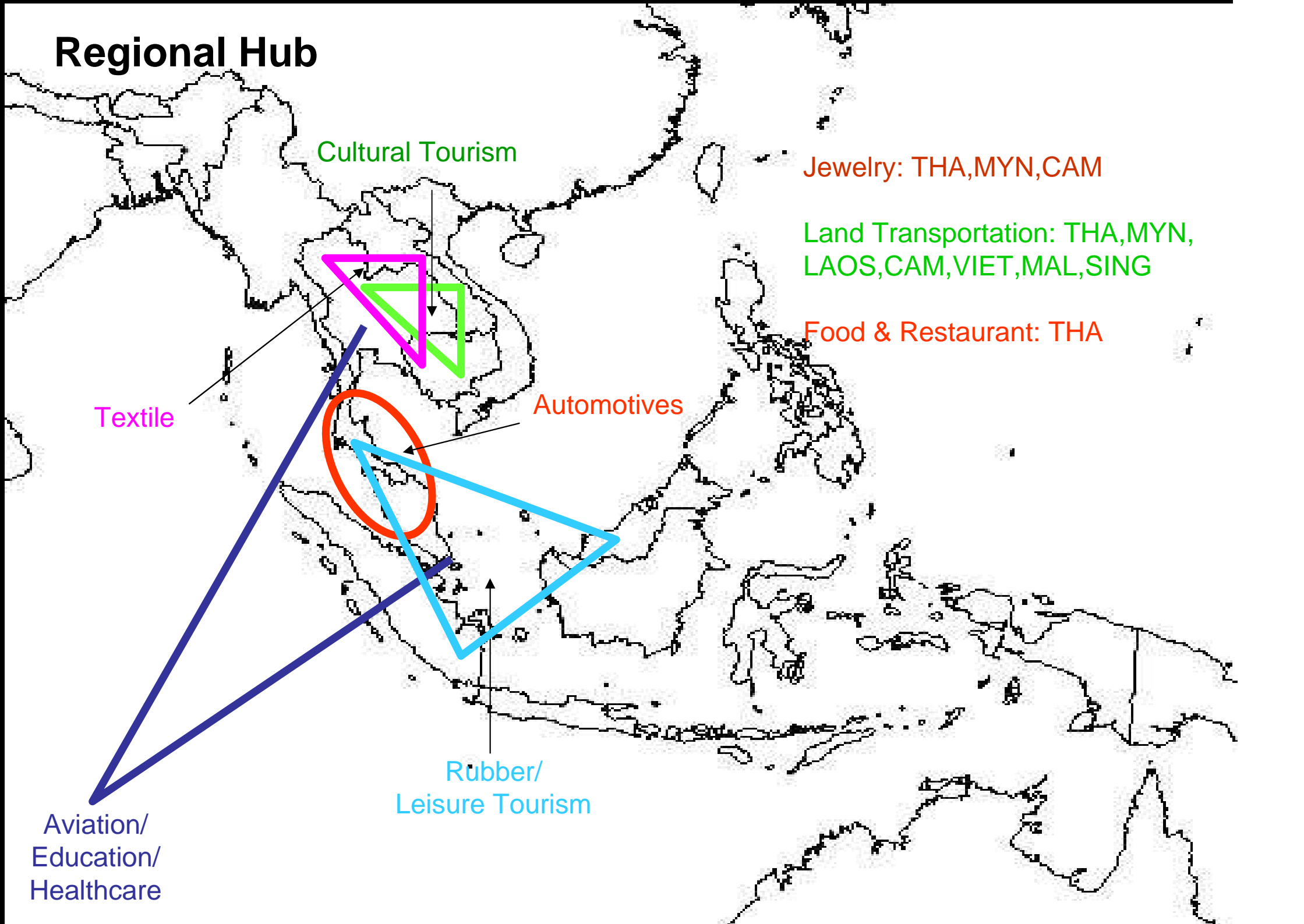


- International travel: as income increase so does the incidence of leisure activities, including international travel
- Already in 2004, 20 percent of all outbound tourism came from East and South Asia
- By 2020 the overall number of tourist arrivals is expected to double to 1.5 billion, with growing share coming from developing regions

# The New USA



# Regional Hub

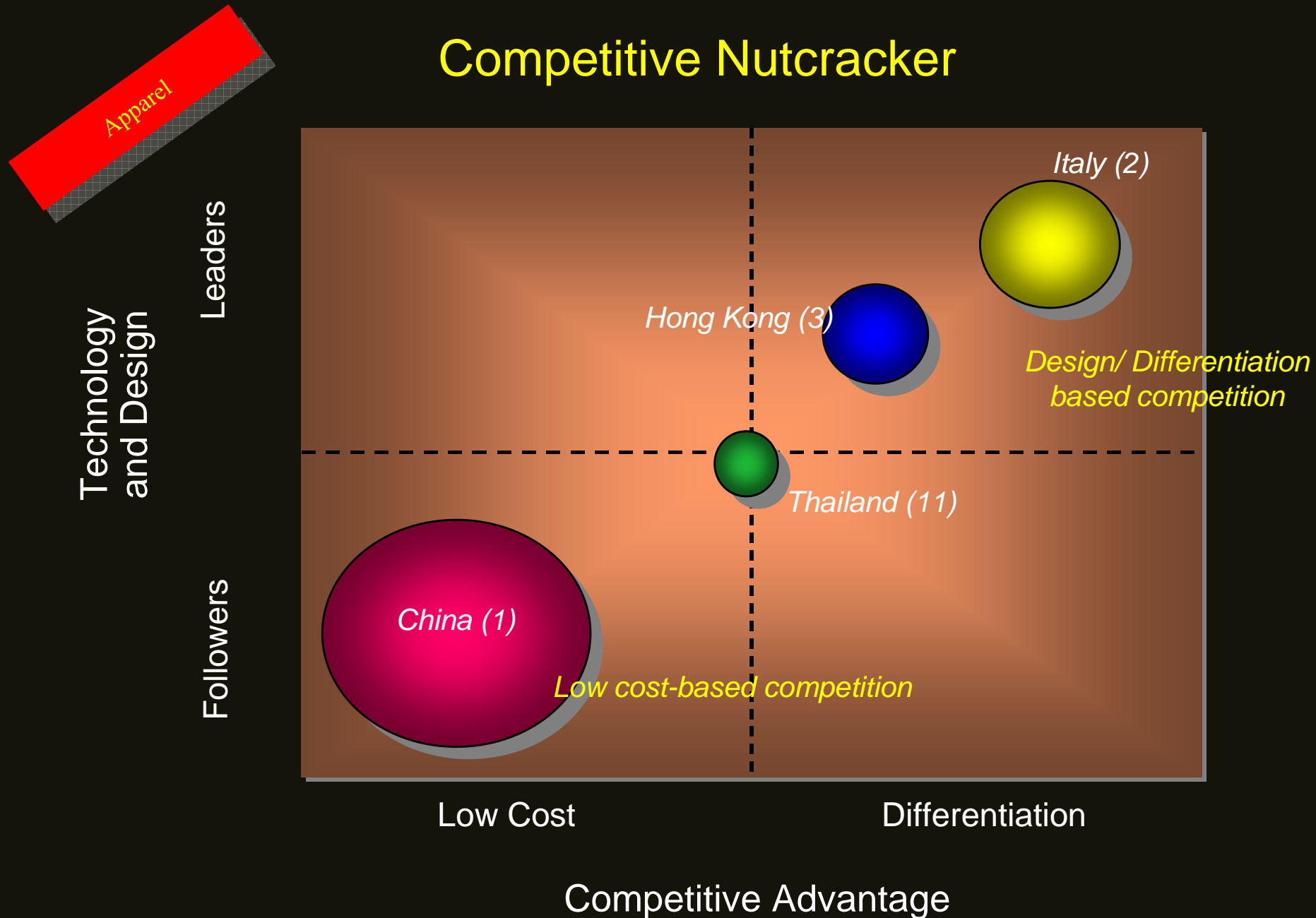




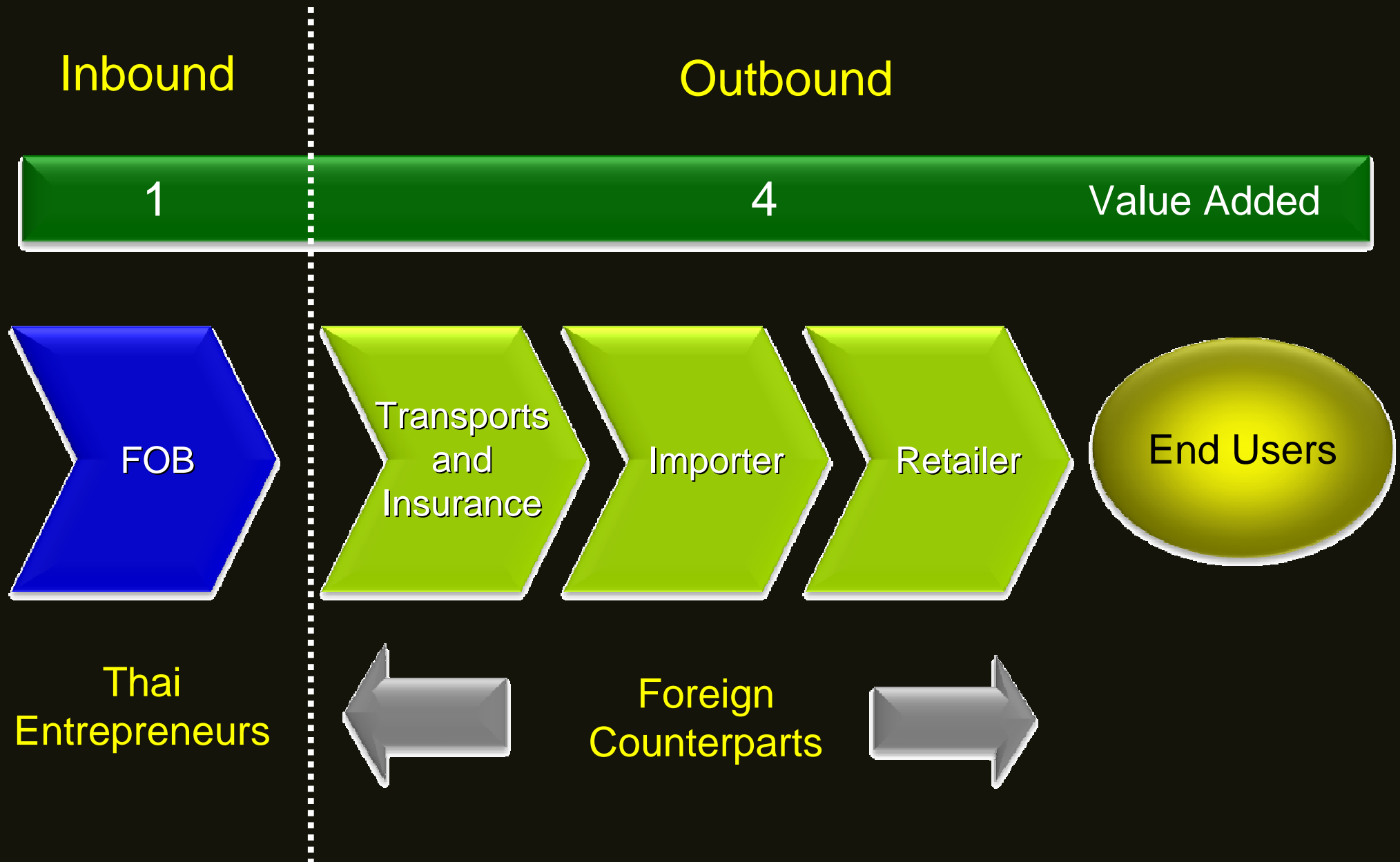
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# Overall Thai Industry's Competitive Position

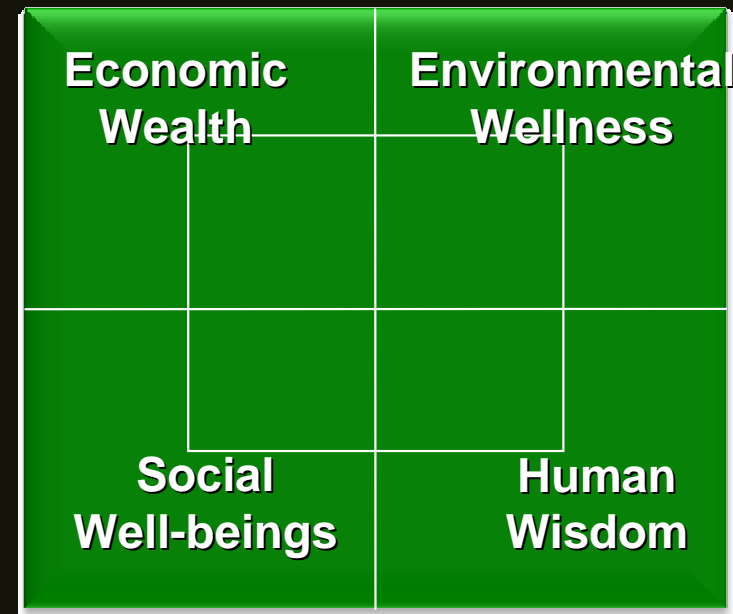
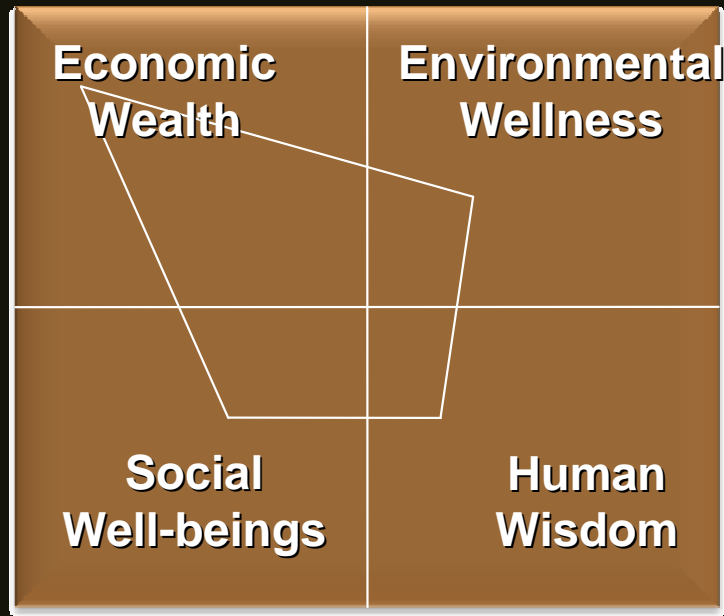
## Competitive Nutcracker



# We do not take full advantage of the export value chain



# Balanced Transformation





# Balanced Industry Portfolio

