MEKONG CLUB
FIGHTING THE BUSINESS OF SLAVERY

Thailand

Private Sector Assessment

A Preliminary Scoping Study

The primary objective of the study is to provide a broad-based overview of the private sector in Thailand as a stakeholder in combating modern slavery in the country

The Mekong Club

The Mekong Club is a catalyst for change – engaging, inspiring and supporting the private sector to eradicate slavery from their business. Given that the majority of modern-day slavery exists in the private sector, these companies are ideally placed to help turn the tide of this global epidemic.

The only organisation of its kind, The Mekong Club steers away from the approach taken by other players in this space, which is to 'name and shame' companies – ousting bad behaviour or issues related to this subject. Instead, we believe in starting and ending with collaboration.

In fact, The Mekong Club originally formed as a direct response to the growing number of companies looking to develop strategies to address forced labour risk through a professional forum. Divided into industry-specific working groups, these networks meet regularly to learn, share best practices, and network with other like-minded professionals. Member companies also work together to achieve an annual deliverable which will work towards producing tangible results in the fight against forced labour.

1. Contents

2. Objectives of the Study

The primary objective of the study is to provide a broad-based overview of the private sector as a stakeholder in combating modern slavery in the country. More specifically the study aims to generate a knowledge base from which The Mekong Club can approach the private sector in order to create awareness and offer cooperative solutions for the eradication of modern slavery in corporate supply chains; the core focus of the Mekong Club's mission.
The following secondary objectives specify the details of the data that need to be gathered in order to fulfil the scope of the study:

- Give an overview of the demographic landscape and economic conditions in Thailand
- Detail the characteristics of the labour force in Thailand by looking at factors such as size, average income, distribution, key issues
- Provide a detailed analysis of the private sector in terms of size of industries, number of workers and key players
- Provide in-depth reports on the Banking/finance, Manufacturing, Construction, Agriculture and Retail and hospitality industries
- Identify the current state of modern slavery in Thailand

3. Definition of Terms

Throughout the report the following definitions will apply to the use of the terms human trafficking, forced labour, bonded labour and contract slavery, as specified by The Mekong Club.

HUMAN TRAFFICKING	FORCED LABOUR	BONDED LABOUR AND CONTRACT SLAVERY
An act (1) carried out by a third party, through different means (2), for the purpose of exploitation (3). For children under age 18 it is sufficient to demonstrate the act of moving a child for the purpose of exploitation.	All work or service which is extracted from any person underthe menace of any penalty and for which the person has not offered themselves voluntarily.	Bonded labour begins when a worker borrows money from an employer and commits themselves to work for the employer in return. Contract slavery involves deceiving or illegal contracts signed by victims who cannot understand them,and used to justify forced labour.
1. Act of: • Recruitment • Transportation • Transfer • Harbouring • Receipt **2. By means of:** • Threat • Force or coercion • Abduction • Fraud • Deception • Abuse of power • Abuse of vulnerability **3. For the purpose of:** • Exploitation • Slavery or similar practices • Servitude • Prostitution • Removal of organs • Forced labour and service	**Threat of penalty** • Physical and/or sexual violence. • Imprisonment or physical confinement. • Withholding of wages, unreasonable fees or financial penalties. • Withholding of identity documents. • Unfair dismissal or exclusion from future employment. • Deprivation of food or shelter. • Exclusion from community, social life or denunciation to community/family. • Intimidation and other threats. **Lack of Valid Consent** • Worker deceived about the wages they would receive. • Worker cannot leave employment as they must remain for an undefined period to repay debts to employer. • Worker made to work by family. • Deception or fraud during recruitment stages.	**Common features of Bonded Labour** • The employer manipulates interest rates or charges excessive rates. • The employer imposes high charges for food, accommodation, transportation, or tools. • The employer charges workers for shortfalls in business output or days missed due to worker sickness. **Common features of Contract Slavery** • Contracts are in a language the victim does not understand. • Contracts are presented to victims who cannot read. • Victim is told fines and penalties will follow if he breaks the contract.
HUMAN TRAFFICKING → emphasizes the movement of victims	**FORCED LABOUR** → is often a consequence of human trafficking and emphasizes the exploitative condition the victim suffers	**BONDED LABOUR** **CONTRACT SLAVERY** are two forms of forced labour

4. Demographic Overview & Key Social Trends

4.1. Summary

Population	68.8 million
Rural	55.4%
HDI	0.740
Poverty Rate	7.2%
GINI	39.4

4.2. Population Distribution

The total population of Thailand was estimated at 68.8 million in 2016[1] and is slightly skewed to females at 51.2%[2]. According to the 2015 - 2016 Survey of Population Changes, about 55.4% of the total population resided in non-municipal areas (rural) and 44.6 percent resided in the municipal areas (urban),

Population Distribution by Gender and Location in 2016

	2016
Total	68,863,514
Male	48.8 %
Female	51.2%
Urban	44.6 %
Rural	55.4%

The population is evenly spread out over the country, although the biggest concentrations can be found in the Central region (28.6%) and North-East region (27.9%). Other regions are split as follows: the Northern region 17.1 %, the Southern region 13.6 % and Bangkok 12.8%

Population Distribution by Province in 2016

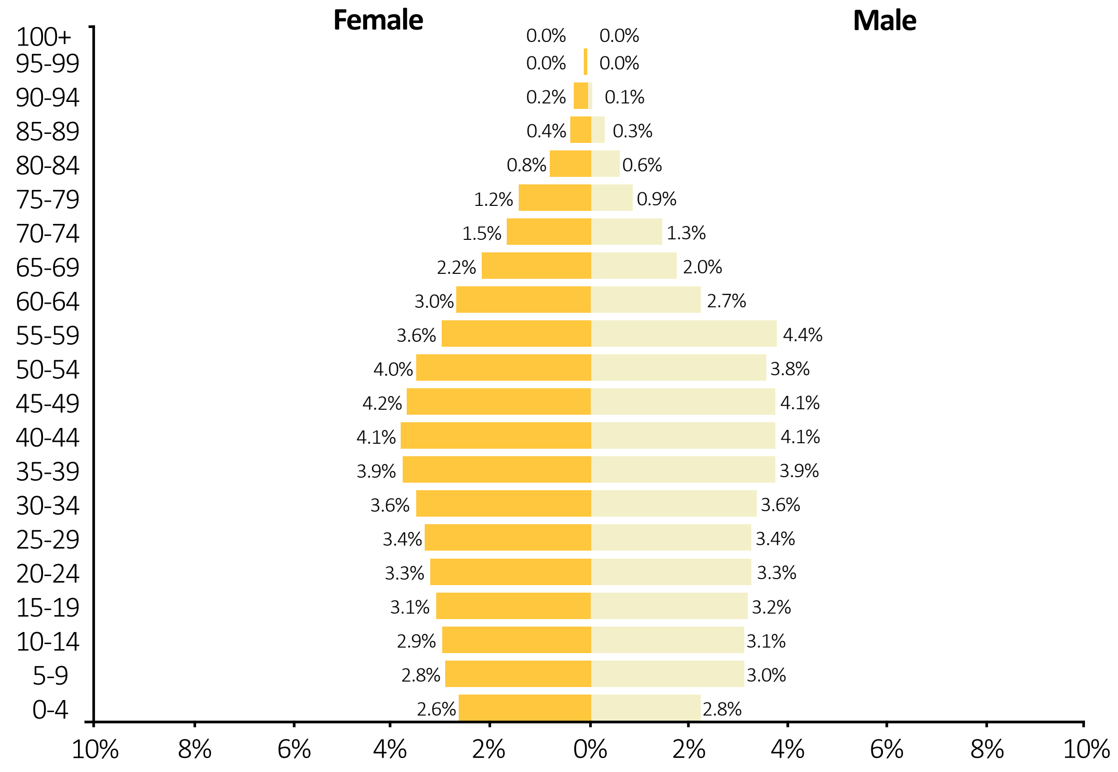
Total Population	68.8 million
Bangkok	12.8 %
Central Region	28.6 %
North-East Region	27.9 %
North Region	17.1 %
South Region	13.6 %

1. http://data.worldbank.org/country/thailand
2. http://web.nso.go.th/en/survey/popchan/pop_change-Report.htm

The Thai population has aged significantly, as the biggest cohort is concentrated between the ages of 35 and 54[3]. In 20 years, as this cohort ages, a substantial percentage of the population will not be economically active anymore, placing extra strain on wage earners.

Currently the population is divided as follows: the youth (0-14) constitutes 17.8% of the population, the economically active (15-59) 66.7% of the population and the elderly (60+) 15.5 % of the population.[4]

Population Pyramid 2016



3. https://www.populationpyramid.net/thailand/2017/
4. http://web.nso.go.th/en/survey/popchan/pop_change-Report.htm

4.3. Social Indicators

4.3.1. Human Development Index (HDI)

According to the UNDP Human Development Report of 2016[5], "Thailand's HDI value for 2015 is 0.740—which put the country in the high human development category — positioning it at 87 out of 188 countries and territories." The Human Development Index (HDI) is a statistic measuring human development based on life expectancy, education, and per capita income indicators.[6]

In its overview of the country, the World Bank[7] states that Thailand is "one of the great development success stories". It has managed to make *"remarkable progress in social and economic development, moving from a low-income country to an upper-income country in less than a generation."* The transformation has been achieved primarily through policies that favoured economic growth in reducing poverty.

Thailand Human Development Index (HDI)

	Life expectancy at birth	Expected years of schooling	Mean years of schooling	GNI per capita (2011 PPP$)	HDI Value
1990	70.3	8.4	4.6	6,565	0.574
1995	70.2	9.6	5.0	9,222	0.611
2000	70.6	11.2	6.1	9,042	0.649
2005	72.2	12.4	6.7	10,927	0.686
2010	73.7	13.3	7.3	12,976	0.720
2011	73.9	13.7	7.5	13,354	0.729
2012	74.1	13.6	7.7	13,993	0.733
2013	74.3	13.6	7.9	14,095	0.737
2014	74.4	13.6	7.9	14,169	0.738
2015	74.6	13.6	7.9	14,519	0.740

In South East Asia, Thailand ranks second to Malaysia on the HDI. When the HDI is corrected for inequality, Thailand "looses" more in human development than other South East Asian countries, indicating more unequal access to basic services and income generation across the population[8].

5. UNDP: Human Development Reports – Thailand
6. Wikipedia
7. http://www.worldbank.org/en/country/thailand/overview#1
8. http://www.worldbank.org/en/country/thailand/overview

Thailands's HDI Value and component measures compared to countries in the region[9]

	HDI Value	HDI Rank	Life Expectancy at birth	Expected years of schooling	Mean Years of Schooling	GNI Per Capita (PPP USD)	IHDI Value
Vietnam	0.683	115	75.9	12.6	8	5,335	0.562
Philippines	0.682	116	68.3	11.7	9.3	8,395	0.556
Thailand	0.740	87	74.6	13.6	7.9	14,519	0.586
Indonesia	0.689	113	69	12.9	7.9	10,053	0.563
China	0.738	90	76	13.5	7.6	13,345	**
Malaysia	0.789	59	74.9	13.1	10.1	24,620	**
Cambodia	0.563	143	68	10.9	4.7	3,095	0.436
Myanmar	-	-	-	-	-	-	-
East Asia & Pacific	0.720	-	74.2	3,423	0.617	12,125	0.581
Medium HDI	0.631	-	68.6	4,314	0.655	6,281	0.469

4.3.2. GINI Coefficient

The distribution of inequality is further illustrated through the GINI coefficient, which is calculated at 39.4 for the year 2013[10]. Thailand's GINI is higher than Vietnam (35.6) and Indonesia (38.1) but lower than Malaysia (46.2) and the Philippines (43.0)

4.3.3. Poverty Rate

According to the World Bank[11], poverty in Thailand, *"has declined substantially over the last 30 years from 67% in 1986 to 7.2% in 2015 during periods of high growth and rising agricultural prices. However, poverty and inequality continue to pose significant challenges, with vulnerabilities as a result of faltering economic growth, falling agricultural prices, and ongoing droughts."* Poverty in Thailand is primarily a rural issue, driven by high levels of inequality. Benefits accruing to the top earners in the cities do not spill over to the countryside, where many still live on subsistence farming.

9. UNDP: Human Development Report 2016: Human development for everyone
10. UNDP
11. http://www.worldbank.org/en/country/thailand/overview

5. The Labour force

5.1. Employment and Income

5.1.1. Employment Distribution

According to the Labour Force Survey of January 2017[12], the population aged 15+ stood at 55.8 million. Of these 37.94 million or 68% were economically active and thus available for work. When further broken down, 37.21 million (98%) were employed, 449 000 were unemployed and 275 000 were seasonally inactive. Of the total labour force, 17.86 million (32%) were unavailable (e.g. housewives, students or elderly). Furthermore, the report states that “over the past 7 years there has been a steady increase in the labour force above 50 years of age, while there has been a decline in the number of workers between the ages of 15-24.”

The agricultural sector provides employment to 28.5% of the economically active population, followed by the retail trade (18%), manufacturing (16.7%) and construction (6%). The service sector (including transportation and storage, accommodation and food service, finance and insurance, real estate, public, education, health and other) collectively employs about 31% of the population. The contribution of Thailand’s Accommodation and Food service industry is considerable at 8%, as it provides more employment than the construction industry.

Employment Distribution by Industry

	Million	%
Total	37.21	100
Agricultural, forestry and fishing	10.63	28.5
Non-Agricultural	26.58	71.5
Manufacturing	6.21	16.7
Construction	2.21	6
Wholesale and retail trade; repair of motor vehicles and motorcycles	6.72	18
Transportation and storage	1.30	3.5
Accommodation and food service activities	3.02	8
Financial and insurance activities	0.56	1.5
Real estate activities	0.21	0.6
Public administration defence and compulsory social security	1.63	4.4
Education	1.34	3.6
Human health and social work activities	0.68	1.8
Other service activities	0.87	2.3
Others	1.83	5

12. http://web.nso.go.th/en/survey/data_survey/200260_summary_Jan_2017.pdf

5.1.2. Income

Average monthly wages in Thailand decreased to 13 415.67 THB/Month (400.587 USD) in the first quarter of 2017 from 13963.14 THB/Month (416.810 USD) in the fourth quarter of 2016. (Exchange rate at 4/19/2017: 1 USD = 33.50 Thai Baht)[13]. In Manufacturing the average wage in the first quarter of 2017 was estimated at 12188 THB/Month (364 USD), down from 12721.57 THB/Month (380 USD) in the fourth quarter of 2016.[14]

Legislators, senior officials and managers are the highest paid, earning on average 29 771 THB (889 USD) per month, while skilled agricultural and fishery workers are the lowest paid, earning as little as 6618 THB (198 USD) per month.[15] The disparity in wages underlines the structural inequalities in the economy that creates weaknesses that can be exploited by traffickers and unscrupulous employers.

Average Income per month by Occupation

Total	13,415.67
Legislator, senior officials and managers	29,770.97
Professionals	26,428.20
Technicians and associate professionals	20,553.71
Clerks	14,915.71
Service workers, shop and market sales workers	11,067.23
Skilled agricultural and fishery workers	6,618.74
Craftsmen and related trades workers	10,147.17
Plant and machine operators and assemblers	10,400.37
Elementary occupations	7,142.40
Workers not included elsewhere	23,259.40

13. https://tradingeconomics.com/thailand/wages
14. https://tradingeconomics.com/thailand/wages-in-manufacturing
15. http://www2.bot.or.th/statistics/ReportPage.aspx?reportID=667&language=eng

5.2. Gender Gap

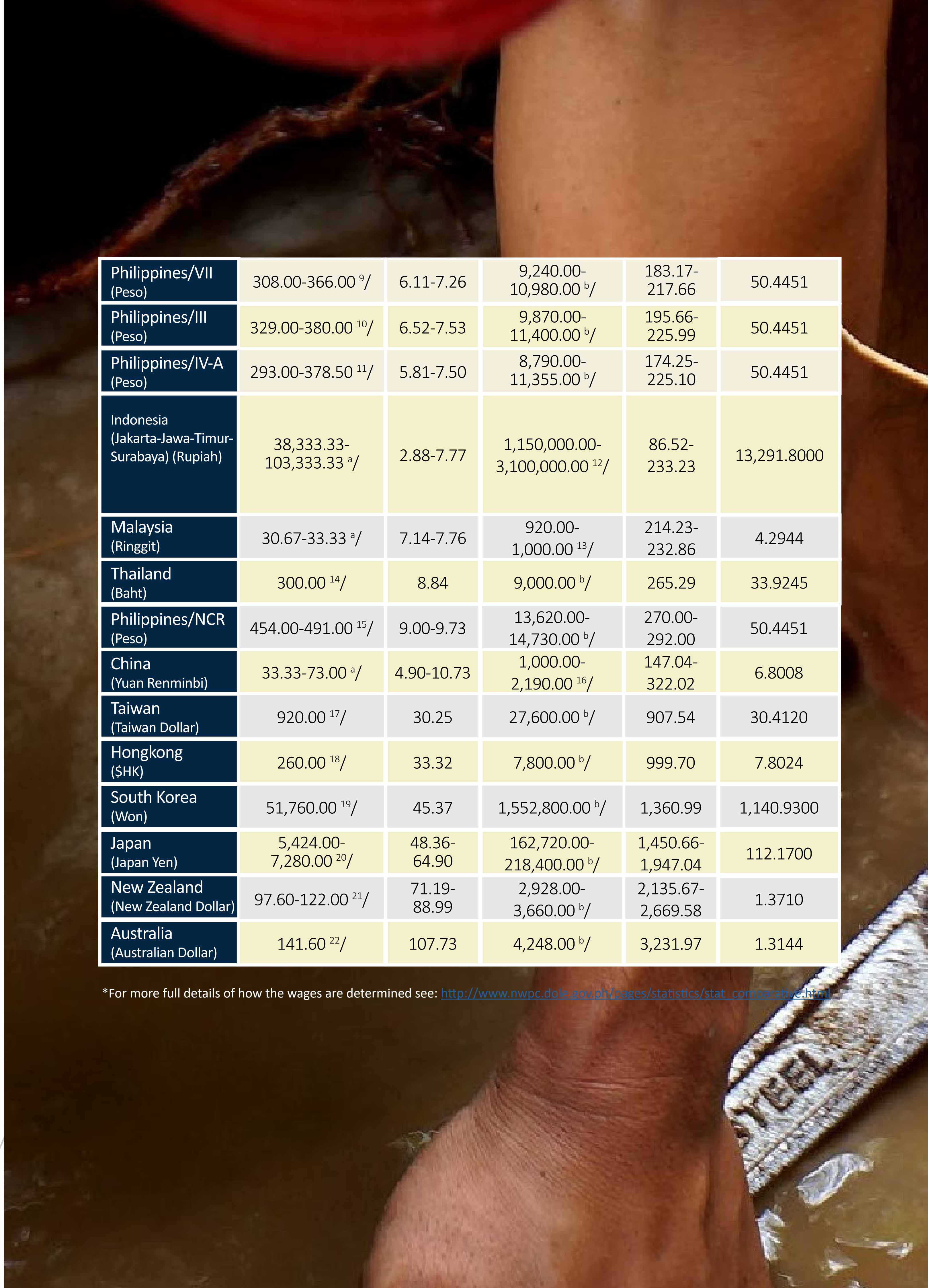
Thailand has made significant improvements in addressing the gender gap in its work force. According to a World Economic Forum report, Thailand ranked 60th, out of 145 countries measured on its Gender Gap index. Despite the improvements, women continue to earn on average only 77% of the average male salary when performing the same work. Women are also underrepresented in public and management positions.

The future looks positive with more female than male students enrolled in higher education institutions. Yet, though women earn a majority of the higher education degrees in Thailand, women also make less money and represent the majority of the country's employees in the informal sector, showing continued discrimination in practice.[16]

5.3. Comparitive Minimum Wage

Compared to the rest of Asia, Thailand's current minimum wage structure puts it at the top of ASEAN, but significantly below the East Asian and OECD economies.

Comparative Minimum Wages in Selected Countries in Asia(As of 30 June 2017)[15]



Country/City	Daily Minimum Wage		Monthly Minimum Wage		Exchange Rate Per US$1*
	In Country Currency	In US$	In Country Currency	In US$	
Bangladesh (Taka)	176.67 [b]/	2.23	5,300.00 [1]/	66.88	79.2430
Mongolia (Tugrik)	6,400.00 [a]/	2.73	192,000.00 [2]/	81.95	2,342.8400
Myanmmar (Kyat)	3,600.00 [a]/	2.68	108,000.00 [3]/	80.32	1,344.6100
Lao PDR (Kip)	30,000.00 [a]/	3.71	900,000.00 [4]/	111.39	8,079.9800
Pakistan (Rupee)	333.33-400.00 [a]/	3.22-3.86	10,000.00-12,000.00 [5]/	96.62-115.95	103.4940
Cambodia (Cambodia Riel)	18,666.67 [a]/	4.67	560,000.00 [6]/	140.00	4,000.0000
Vietnam (Region I & II Dong)	103,333.33-116,666.67 [a]/	4.60-5.20	3,100,000.00-3,500,000.00 [7]/	138.07-155.89	22,452.4000
Philippines/XI (Peso)	340.00 [8]/	6.74	10,200.00 [b]/	202.20	50.4451
Philippines/VII (Peso)	308.00-366.00 [9]/	6.11-7.26	9,240.00-10,980.00 [b]/	183.17-217.66	50.4451
Philippines/III (Peso)	329.00-380.00 [10]/	6.52-7.53	9,870.00-11,400.00 [b]/	195.66-225.99	50.4451
Philippines/IV-A (Peso)	293.00-378.50 [11]/	5.81-7.50	8,790.00-11,355.00 [b]/	174.25-225.10	50.4451
Indonesia (Jakarta-Jawa-Timur-Surabaya) (Rupiah)	38,333.33-103,333.33 [a]/	2.88-7.77	1,150,000.00-3,100,000.00 [12]/	86.52-233.23	13,291.8000
Malaysia (Ringgit)	30.67-33.33 [a]/	7.14-7.76	920.00-1,000.00 [13]/	214.23-232.86	4.2944
Thailand (Baht)	300.00 [14]/	8.84	9,000.00 [b]/	265.29	33.9245
Philippines/NCR (Peso)	454.00-491.00 [15]/	9.00-9.73	13,620.00-14,730.00 [b]/	270.00-292.00	50.4451
China (Yuan Renminbi)	33.33-73.00 [a]/	4.90-10.73	1,000.00-2,190.00 [16]/	147.04-322.02	6.8008
Taiwan (Taiwan Dollar)	920.00 [17]/	30.25	27,600.00 [b]/	907.54	30.4120
Hongkong ($HK)	260.00 [18]/	33.32	7,800.00 [b]/	999.70	7.8024
South Korea (Won)	51,760.00 [19]/	45.37	1,552,800.00 [b]/	1,360.99	1,140.9300
Japan (Japan Yen)	5,424.00-7,280.00 [20]/	48.36-64.90	162,720.00-218,400.00 [b]/	1,450.66-1,947.04	112.1700
New Zealand (New Zealand Dollar)	97.60-122.00 [21]/	71.19-88.99	2,928.00-3,660.00 [b]/	2,135.67-2,669.58	1.3710
Australia (Australian Dollar)	141.60 [22]/	107.73	4,248.00 [b]/	3,231.97	1.3144

*For more full details of how the wages are determined see: http://www.nwpc.dole.gov.ph/pages/statistics/stat_comparative.html

16. http://www.pkfthailand.asia/news/news/the-gender-gap-in-thailand-still-much-work-to-be-done/
17. http://www.nwpc.dole.gov.ph/pages/statistics/stat_comparative.html

5.4. Competitiveness

Given its leadership in the electronics and electrical goods markets in Asia, the current minimum wage still affords Thailand a competitive position in the world economy. According to the Deloitte Global Manufacturing Competitiveness Index[18], as measured on 500 survey responses from senior manufacturing executives around the world, Thailand ranks 14th out of a sample of 40 manufacturing countries (see below).

Deloitte Global Manufacturing Competitiveness Index 2016

Rank	Country	Index
1	China	100
2	United States	99.5
3	Germany	93.9
4	Japan	80.4
5	South Korea	76.7
6	United Kingdom	75.8
7	Taiwan	72.9
8	Mexico	69.5
9	Canada	68.7
10	Singapore	68.4
11	India	67.2
12	Switzerland	63.6
13	Sweden	62.1
14	Thailand	60.4
15	Poland	59.1
16	Turkey	59.0
17	Malaysia	59.0
18	Vietnam	56.6
19	Indonesia	55.8
20	Netherland	55.7
21	Australia	55.5
22	France	55.5
23	Czech Republic	55.3
24	Finland	52.5
25	Spain	50.6
26	Belgium	48.3
27	South Africa	48.1
28	Italy	46.5
29	Brazil	46.2
30	United Arab Emirates	45.4
31	Ireland	44.7
32	Russia	43.9
33	Romania	42.8
34	Saudi Arabia	39.2
35	Portugal	37.9
36	Colombia	35.7
37	Egypt	29.2
38	Nigeria	23.1
39	Argentina	22.9
40	Greece	10.0

For a detailed discussion of the Index see:
https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Manufacturing/gx-global-mfg-competitiveness-index-2016.pdf

5.5. Migrant Labour

Many of Thailand's industries are dependent on migrant labour, both documented and undocumented, which increases the likelihood of slavery and trafficking. Earlier this year the military government adopted new labour legislation that includes fines that can range up to 800,000 baht ($23,557) for employers who hire unregistered foreign workers without permits. This led to a mass exodus, as about 60,000 workers left Thailand between June 23 and 28, most from Myanmar. According to a report[19]: "millions of workers from poor neighbours, such as Cambodia and Myanmar, form the backbone of Thailand's manual labour force, with industries such as the multibillion-dollar seafood business heavily reliant on foreign workers.".
For more detail see section 9: Modern Slavery and Human Trafficking in Thailand

18. https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Manufacturing/gx-global-mfg-competitiveness-index-2016.pdf

19. http://www.aljazeera.com/news/2017/07/thailand-60000-workers-flee-labour-laws-170703065936362.html

6. Political Risk Assessment

Thailand's economic growth has flourished against a backdrop of high political risk. This is also currently the case. According to the UK Department of Trade[20], Thailand's current political situation, can be summarized as follows:

> *Thailand is currently under military rule by the National Council for Peace and Order (NCPO) following the coup in May 2014. Its Prime Minister is General Prayuth Chan-o-cha. There are restrictions on freedoms of speech and political assembly, but these have not affected economic and commercial activity significantly.*
>
> *This is a unique time in Thailand's history. King Bhumibol Adulyadej (Rama IX) passed away on 13 October 2016, after 70 years on the throne. The sense of grief across the country has crossed political and ethnic divides. Thailand remains in official mourning and you should respect the feelings and sensitivities of the Thai people at this time. The new King, His Majesty Maha Vajiralongkorn Bodindradevarangkun (Rama X), assumed the throne on 2 December 2016. The Thai authorities have announced that His Majesty King Bhumibol Adulyadej's cremation ceremony will take place between 25 and 29 October 2017.*
>
> *People have been prosecuted for criticising the 2014 military coup. You should be wary of making political statements in public. Lèse-majesté, (criticism of the monarchy in any form) is a crime which can be broadly interpreted, and carries a long jail sentence.*
>
> *PM Prayuth's government has put forward a "roadmap" to democracy. Elections are now likely to take place in 2018. A referendum in 2016 endorsed a draft constitution including a role for military-appointed senators to oversee the work of the next elected government, in a form of campaigning. Commune (local) elections took place in June 2017 and passed by smoothly. guided democracy".The new Thai King, Rama X, has approved the new constitution with some amendment to reflect his role as constitutional monarch.*

In July 2017, BMI Research has downgraded Thailand's long term political risk score, from 58.9 to 57.9 based on the following assessment[21]:

> *We are downgrading Thailand's long-term political risk score to reflect the combination of continued delays in the election timetable, increasingly strict control over the country ' s media and use of lese majeste laws, and the potential for a power struggle to emerge between the royal palace and the military generals. Changes over the past nine months have seen the country shift more in line with the region's authoritarian regimes, where short-term political stability, afforded by the lack of democracy, is likely to come at the cost of long term uncertainty.*

20. https://www.gov.uk/government/publications/overseas-business-risk-thailand/overseas-business-risk-thailand
21. http://www.asia-monitor.com/political-outlook-revising-down-long-term-political-risk-index-july-2017

7. The Private Sector

7.1. Overview

Thai economic growth has been slowing over the past few years and according to the World Bank's Thailand Systematic Country Diagnostic the *"continued instability could affect future growth and prospects for shared income gains".*[22] This instability is primarily driven by government accountability and the quality of the bureaucracy. Poverty and inequality also continues to inhibit growth.

The decline in economic growth is further impacting poverty and inequality as *"the engine that delivered most of the productivity gains in the past—the movement of people from the low-productivity agricultural sector into higher-productivity jobs, particularly in the manufacturing sector—lost steam almost a decade ago."*[23] A forecasted decline in the global commodity price boom, will reduce currently inflated farm wages. In addition, *"the manufacturing sector has stopped creating new jobs, while services have experienced the fastest pace of job growth, but have failed to show rapid productivity growth."*

According to the World bank, *"Many labour-intensive and resource-based manufactured exports (20 percent of total exports) have become less competitive, a trend that accelerated in 2010-14. In the face of rising wage rates…".* This cost Thailand dearly in terms of its competitive edge. It is no longer unique as other countries have caught up. Thailand has failed to use its first mover advantage in the region to capitalize on its regional leadership through infrastructure projects, education and innovation.

The continuance of poverty, inequality and slow growth, creates new structural weaknesses that accelerates modern slavery and human trafficking. In times of dire need, marginalised individuals get easily trapped into believing offers of economic well-being. Extra vigilance is needed during these times to ensure that exploitative practices are eradicated. Overall the combat of modern slavery and human trafficking have been obscured by *"significant disagreement about what has, or has not, been accomplished by the Thai Government and significant disagreement about whether or not reporting on trafficking is reliable.*[24]*"*

The World Bank identified three possible pathways for future growth:

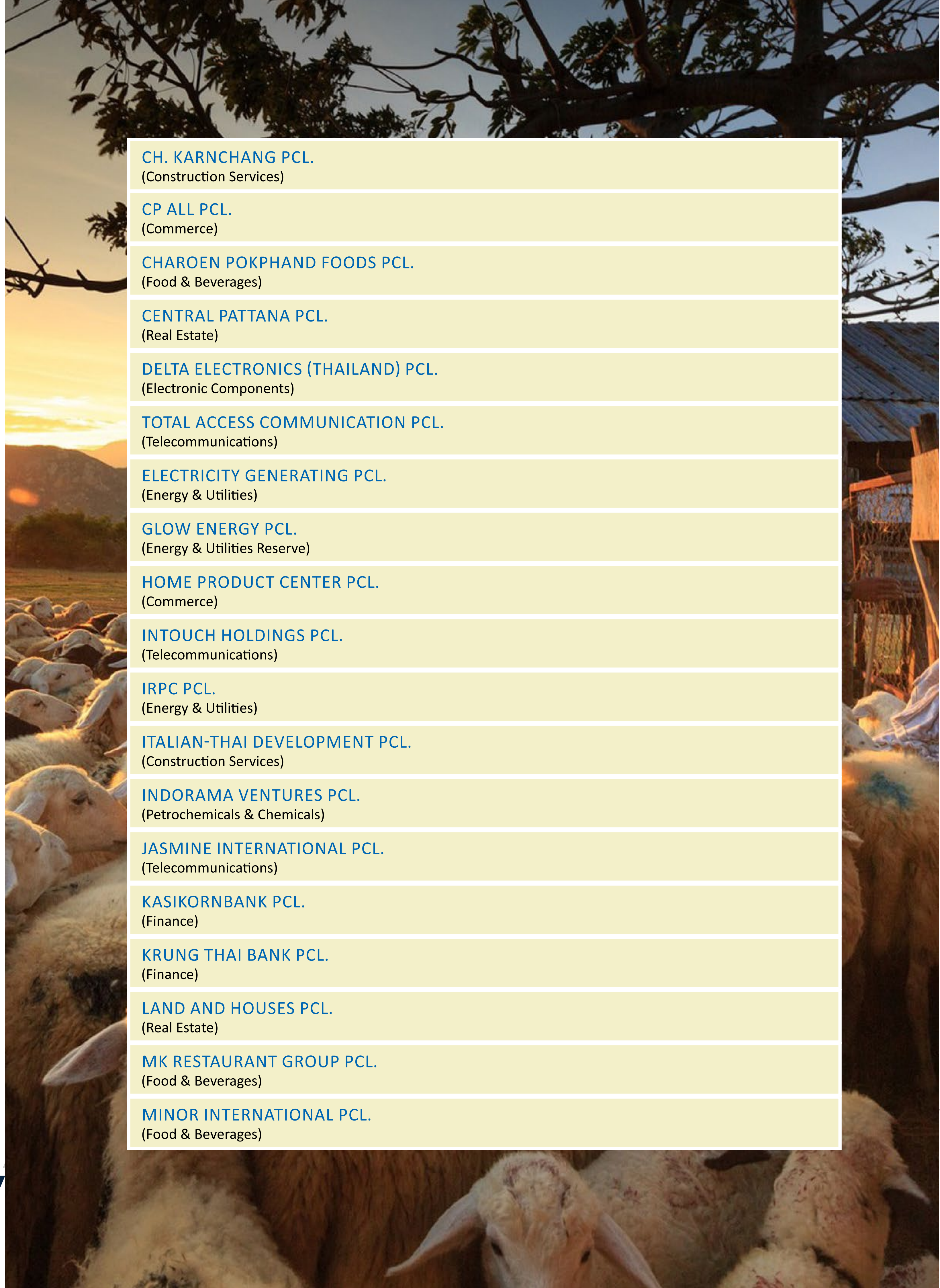
1. *Creating more and better jobs through improved infrastructure, more competition, and increased firm-level competitiveness.*
2. *Providing more targeted support to the bottom 40 percent of the population by improving the education and skills of the workforce; implementing effective policies to boost productivity in the agricultural sector, where approximately half of the bottom 40 percent of the population and the poor continue to be employed; and providing a smarter social protection system focused providing a safety net for poor people.*
3. *Making growth greener and more sustainable, which includes efforts to manage Thailand's natural resources and environment; reduce vulnerability to natural disasters and climate change; and promote energy efficiency and renewable energy.*

As mentioned above, the agricultural sector employs about half of the bottom 40% of the population. Case studies of exploitation in this sector is well-known. Engagement with corporates in this sector will be vital to the work of The Mekong Club in Thailand.

22. www.worldbank.org/en/country/thailand/publication/thailand-systematic-country-diagnostic-getting-back-on-track-and-reviving-growth
23. Ibid
24. http://www.hopkinshumanitarianhealth.org/assets/documents/Anti-Trafficking-in-Thailand-30Jun2016.pdf

7.2. Key Players in the Private Sector

Below are the top 50 listed companies as per the Stock Exchange of Thailand Top 50 index as listed on the ASEAN UP website.[25]



COMPANY'S NAME
ADVANCED INFO SERVICE PCL (Telecommunications)
AIRPORTS OF THAILAND PCL (Transportation & Logistics)
BANGKOK AIRWAYS PCL (Transportation & Logistics)
BANPU PCL (Energy & Utilities)
BANGKOK BANK PCL. (Finance)
THE BANGCHAK PETROLEUM PCL. (Energy & Utilities)
BANGKOK DUSIT MEDICAL SERVICES PCL. (Healthcare)
BEC WORLD PCL. (Media & Publishing)
BUMRUNGRAD HOSPITAL PCL. (Healthcare)
BANGKOK LIFE ASSURANCE PCL. (Finance)
BTS GROUP HOLDINGS PCL. (Transportation & Logistics)
CARABAO GROUP PCL. (Food & Beverages)
CENTRAL PLAZA HOTEL PCL. (Tourism & Leisure)
CH. KARNCHANG PCL. (Construction Services)
CP ALL PCL. (Commerce)
CHAROEN POKPHAND FOODS PCL. (Food & Beverages)
CENTRAL PATTANA PCL. (Real Estate)
DELTA ELECTRONICS (THAILAND) PCL. (Electronic Components)
TOTAL ACCESS COMMUNICATION PCL. (Telecommunications)
ELECTRICITY GENERATING PCL. (Energy & Utilities)
GLOW ENERGY PCL. (Energy & Utilities Reserve)
HOME PRODUCT CENTER PCL. (Commerce)
INTOUCH HOLDINGS PCL. (Telecommunications)
IRPC PCL. (Energy & Utilities)
ITALIAN-THAI DEVELOPMENT PCL. (Construction Services)
INDORAMA VENTURES PCL. (Petrochemicals & Chemicals)
JASMINE INTERNATIONAL PCL. (Telecommunications)
KASIKORNBANK PCL. (Finance)
KRUNG THAI BANK PCL. (Finance)
LAND AND HOUSES PCL. (Real Estate)
MK RESTAURANT GROUP PCL. (Food & Beverages)
MINOR INTERNATIONAL PCL. (Food & Beverages)

25. https://aseanup.com/top-50-companies-from-thailand-set50/

PRUKSA REAL ESTATE PCL.
(Real Estate)

PTT PCL.
(Energy & Utilities)

PTT EXPLORATION AND PRODUCTION PCL.
(Energy & Utilities)

PTT GLOBAL CHEMICAL PCL.
(Petrochemicals & Chemicals)

ROBINSON DEPARTMENT STORE PCL.
(Commerce)

SRISAWAD POWER 1979 PCL.
(Finance)

THE SIAM COMMERCIAL BANK PCL.
(Finance)

THE SIAM CEMENT PCL.
(Construction Materials)

SIAM CITY CEMENT PCL.
(Construction Materials)

TIPCO ASPHALT PCL.
(Construction Materials)

THANACHART CAPITAL PCL.
(Finance)

TMB BANK PCL.
(Finance)

THAI OIL PCL.
(Energy & Utilities)

TPI POLENE PCL
(Construction Materials)

TRUE CORPORATION PCL.
(Telecommunications)

TTW PCL.
(Energy & Utilities)

THAI UNION GROUP PCL.
(Food & Beverages)

WHA CORPORATION PCL.
(Real Estate)

7.3. Transparency

Transparency International ranks Thailand 101 out of 175 countries on its Corruption Perceptions Index of 2016[26], an index based on expert opinion from around the world that measures the perceived levels of public sector corruption worldwide. This illustrates the lack of transparency of public institutions and the high incidence of corruption.

Country	CPI2016	Rank
New Zealand	90	1
Singapore	84	7
Australia	79	13
Hongkong	77	15
Japan	72	20
Bhutan	65	27
Taiwan	61	31
Brunei	58	41
Korea (South)	53	52
Malaysia	49	55
Solomon Islands	42	72
China	40	79
India	40	79
Mongolia	38	87
Indonesia	37	90
Maldives	36	95
Sri Lanka	36	95
Philippines	35	101
Thailand	35	101
Timor-Leste	35	101
Vietnam	33	113
Pakistan	32	116
Laos	30	123
Nepal	29	131
Myanmar	28	136
Papua New Guinea	28	136
Bangladesh	26	145
Cambodia	21	156
Afghanistan	15	169
Korea (North)	12	174

26. https://www.transparency.org/news/feature/corruption_perceptions_index_2016#regional

8. The Mekong Club Target Sectors

For the purpose of this study, which aims to generate a knowledge base from which The Mekong Club can approach the private sector in order to create awareness and offer cooperative solutions for the eradication of modern slavery in corporate supply chains, attention will be given to the following core target sectors:

- Agricultural (28.5% of the economically active population)
- Retail trade (18%),
- Manufacturing (16.7%) (including the Electronics and Electrical industries)
- Accommodation and Food service industry (8%)
- Banking and financial services
- Construction

8.1. The Agricultural Sector

8.1.1. General

Agriculture in Thailand is a competitive, diversified and specialised industry with value added to GDP estimated at 9.14% in 2015.[27] It employs 28.5% of the labour force. Rice is the country's most important crop. Rice exports in 2014 amounted to 1.3 percent of GDP. Other agricultural commodities produced in significant amounts include fish and fishery products, tapioca, rubber, grain, and sugar.

Agricultural Production by Commodity

	Value (USD)	Volume (Metric Ton)
Agriculture	1,365.01	
Rice	345.75	823,400.96
Rubber	515.21	296,444.56
Tapioca	166.23	739,679.79
Fruits	156.80	175,662.46
Horticultural products, n.i.e.	110.38	
Animal products	70.63	
	129.71	
Crustaceans	60.74	7,362.02
Fishery	36.45	15,216.48
Cuttlefish, squid, octopus	25.11	3,333.4
Fishery products, n.i.e.	7.41	

27. http://www.theglobaleconomy.com/Thailand/Share_of_agriculture/

8.1.2. The Fishing Industry

Thailand's fishing industry has been plagued by slavery, trafficking, murder and corruption at all levels of government. Since the first detailed reports[28] about trafficking in the Thai fishing industry surfaced about 5 years ago, the government has implemented various initiatives to regulate the industry. But, activists claim, "despite recent arrests linked to human rights abuses and the threat of an EU-wide boycott" not enough has been done to combat the atrocities.[29] According to the Guardian, the Thai government has arrested more than 100 people since the EU issued its "yellow card" last April, threatening a ban on seafood imports unless Thailand cleaned up illegal fishing and labour abuses. The fishing industry is estimated to be worth $7bn (£5bn) a year and the world's third-largest seafood exporter.

Measures adopted to combat trafficking and slavery include an illegal, unregulated and unreported (IUU) fishing enforcement act in alignment with EU regulations, and labour laws preventing under-18s from working on boats and in seafood processing factories. In addition,"a command centre to combat illegal fishing (CCCIF) has also been introduced, with a remit to track every fishing vessel in Thailand's 42,000-strong fleet through a new registration and monitoring system."[30]

According to Thitinan Pongsudhirak, director of the Institute of Security and International Studies, the military government may be preventing real progress, despite reform efforts:

"A top-down government with absolute power ironically lacks mechanisms to solve human trafficking problems at home, due to both a lack of cooperation and corruption from agencies and personnel involved. Rectifying human trafficking cannot simply be ordered and delivered from the top – it involves carrots and sticks on the ground."

The industry relies heavily on migrant labour – more than 90% of those working in the fishing sector are from neighbouring countries, many of them trafficked – which extends the problem across to the region.

For more detail see Section 9: **Modern Slavery and Human Trafficking in Thailand**

8.2. FMCG Retail

Thailand's FMCG retail market continues to expand. Dominant retail formats include hypermarkets, supermarkets, cash and carry, and convenience stores. Unlike markets, such as Vietnam, modern retailers account for approximately 70 percent of total retail sales as *"the flow of local shoppers has been diverted from wet markets and grocery stores to hypermarkets and supermarkets."*[31] Despite the positive outlook, consumer-product sales in 2016 grew only at 1.7 per cent, the lowest in 10 years. Factors contributing to slow growth cited include: weak consumer confidence amid high levels of household debt and the effects of severe drought on the agricultural sector.[32]

Thailand's retail market has garnered a prominent position in Asia through investments by companies such as UK-based Tesco with its Tesco Lotus stores, Big C Supercenter of Casino Group of France (acquired by Thai tycoon Mr. Charoen Sirivadhanabhakdi of TCC Group in 2016, and cash and carry Netherlands-based Siam Makro acquired by Thai tycoon Mr. Dhanin Chearavanont of CP Group in August 2013.[33]

According to the USDA Gain Report, Thailand Retail, 2016 *"locally run supermarkets and convenience stores have also increased in numbers; including stores such as Villa Market, Tops Marketplace, Foodland Supermarket, 7-Eleven, Home Fresh Mart and Gourmet Market by the Mall Group".*

28. http://un-act.org/publication/view/sold-sea-human-trafficking-thailands-fishing-industry/ and others
29. https://www.theguardian.com/global-development/2016/feb/25/slavery-trafficking-thai-fishing-industry-environmental-justice-foundation
30. Ibid
31. USDA Gain Report, Thailand Retail, 2016
32. http://www.nationmultimedia.com/news/business/EconomyAndTourism/30306047
33. USDA Gain Report, Thailand Retail, 2016

Thailand Top Retail Outlets[34]

Company Name	Store Format	Ownership	No. of Outlets
Ek-Chai Distribution System Co., Ltd.		UK	1,843
Tesco Lotus Hypermarket	Hypermarket & Compact Hypermarket		190
Tesco Lotus Extra	Compact Hypermarket		166
Lotus Express	Convenience Store		1,487
7-Eleven – CP All Pcl.	Convenience Store	Thai	8,127
Siam Makro Pcl. Cash and Carry In 2013, CP All acquired Siam Makro from SHV Nederland B.V. Opened Makro (Cambodia) in September 2016			104
Big C Supercenter Pcl. - France (Berli Jucker Plc (BJC), a TCC subsidiary acquired Big C in March 2016). BJC/TCC took over Family Mart in Vietnam and changed name to B's Mart in February 2016. BJC/TCC took over Metro Group (Cash & Carry) in Vietnam in February 2016 Franchisee of M-Point Mart (MPM), the largest CVS chain in Laos in 2016. Currently, MPM has 22 stores outlets.			571
Big C Supercenter (Hypermarket, Big C Extra, and Big C Jumbo)	Hypermarket		125
Big C Market	Supermarket		55
Mini Big C	Convenience Store		391
Central Food Group Central Food Group took over Casino's Big C Chain in Vietnam in 2016		Thai	1,330
Central Food Hall	Supermarket		8
Tops Marketplace	Supermarket		86
Tops Supermarket	Supermarket		5
Tops Daily/Tops Super Koom	Supermarket		93
Tops Superstore	Supermarket		2
Tops Segafredo	Coffee (Italian Brand)		19
Central Wine Cellar	Wine Shops		3
Central Family Mart	Convenient Store	Central Retail Joint Venture with Japan in 2012	1,114
The Mall Group		Thai	13
Home Fresh Mart	Supermarket		4
Gourmet Market	Supermarket		9
Foodland Supermarket	Supermarket	Thai	19
MaxValue-Aeon (Thailand) Co.Ltd		Japan	
MaxValu	Supermarket		27
MaxValu Tanjai	Mini Supermarket		50
Villa Market	Supermarket	Thai	34
Lawson 108 (Sahapathanapibul Joint Venture with Japan)	Convenience Store	Japan	60

Source: Euro monitor, RHB, USDA Foreign Agricultural Service - Bangkok, Thailand

34. USDA Gain Report, Thailand Retail, 2016

8.3. Manufacturing

8.3.1. General

The Thai industrial sector contributed 35.8% to Thailand's GDP in 2016, 4.2% down from its high of 40% in 2010.[35] The sector employs 17% of the country's labour force. The following industries dominate the industrial sector.

8.3.2. Electronics and Electrical Industries

The electronics and electrical industry had a total export value of US$55 billion in 2014[36], functioning as the economy's main growth driver and making Thailand Southeast Asia's electrical and electronics manufacturing hub. In 2014, the electrical and electronics industry accounted for 24% of Thailand's annual export revenues. The main export destinations were the USA (17.3%), ASEAN (16.7%), Hong Kong (12.5%), Japan (10%), and China (8.8%).

8.3.3. Electronics Industry

The electronics industry alone was worth approximately US$59.5 billion, with export revenues accounting for over US$32 billion in 2014. Companies that have already taken advantage of Thailand's dynamic industry include world-class companies: Fujitsu, LG Electronics, Seagate, Sony, Samsung and Western Digital. These companies have established facilities for a diverse scope of purposes, from production and assembly to testing and R&D[37].

The following companies are the main players in the electronics industry:

HDD-Part Producers:
- Alps Electric
- Hutchinson Technology
- Magnacomp Precision
- Minebea
- NHK
- Nidec
- Nitto Denko
- Seiko Instruments
- TSP-T
- Yamakin

HDD Producers:
- Seagate
- Western Digital

IC Design:
- Rohm LSI
- Silicon Craft Technology

Lead Frame:
- Rohm Mechatech
- SumikoLeadFrame

Testing:
- Microchip
- Maxim Integrated
-

Assembly:
- Allegro Microsystem
- Circuit Electronics
- Hana Semiconductor
- Microchip
- NXP
- Spansion
- Millennium Microtech
- Rohm Integrated System
- Sony Device Technology
- Stars Microelectronics
- Thai NJR
- Toshiba Semiconductor
- UTAC Thai

35. http://data.worldbank.org/indicator/NV.IND.TOTL.ZS?locations=TH&page=3
36. http://www.boi.go.th/upload/content/BOI-brochure%202015-E&E_67848.pdf
37. http://www.boi.go.th/upload/content/BOI-brochure%202015-E&E_67848.pdf

8.3.4. The Electrical Industry

According to the Board of Investors[38], Thailand is one of ASEAN's largest production centres in the electrical appliances sector and globally recognized for its manufacturing competency. Thailand's 2014 electrical appliance exports were valued at US$23.5 billion and electrical appliance imports totalled US$17.6 billion in 2014. Based on export values, Thailand's major electrical appliance products were air conditioners and refrigerators. The major export destinations for Thailand's electrical appliances in 2014 were ASEAN, the USA, Japan, China, and India. ASEAN was the largest export market for Thailand's electrical appliances, with total value of US$4.3 billion in 2014, a 15% increase from 2013.

8.3.5. Labour conditions in the Electronic and Electric Industries

Historically the electronics and electrical market were known for low wages. According to a 2011 report by the Asia Monitor Resource Centre, companies offered low salaries, but added various benefits, which made the owners look generous, and opportunities for overtime, which lead to strenuous conditions in the workplace. In addition, workers recruited from employment agencies (commonly referred to as 'outsourced workers') and other workers employed on short-term contracts were widely used in this sector and by MNCs.[39]

As the average wages in section 5.1.2 shows, there have been significant improvements in the overall structure of salaries. In 2016, the government increased minimum wages across 75 jobs with some jobs going up to 550 baht per day.

8.3.6. Auto Industry

In addition to the Electronics and Electrical industries, Thailand's automotive sector is a major driver of the economy, harbouring a vast network of small and large, local and foreign companies across the car-production supply chain. The sector accounts for approximately 12% of the Thai GDP and employed more than 550,000 people in 2013 with most of the world's vehicles and auto-parts brands and manufacturers present in the country. In 2015, the production of cars in Thailand was 1.9 million cars with 800,000 cars sold domestically and 1.2 cars exported. There were also 1.8 motorcycles produced, with domestic sales of 1.6 million and exports of 350,000 units.[40]

8.3.7. Garment and Textile Industry

According to 2014 figures,

"Thailand's garment industry supports anywhere between 800,000 to 1 million employees, while the textile industry employs 200,000 people, making these two industries the second-most important employment sector in the country. In 2014, Thailand exported US$ 7.52 billion worth of garments and textiles. Of that, US$ 3.42 billion of textiles and clothing were exported to east Asia and the Pacific, while US$ 1.24 billion worth of material was shipped to the United States of America. Apparel forms 90 per cent of the exports, followed by brassieres and other types of clothing items. But these top export numbers are offset by imports worth US$ 4.71 billion made in 2014. Banking/finance".[41]

Bizvibe.com notes that Thailand currently has around 4,500 textile and apparel manufacturers employing almost one million workers. These manufacturers, most of them located around Bangkok and in eastern Thailand, range from man-made fiber plants, spinning and weaving, to dyeing and printing. Most of Thailand's textile companies are also part of the ASEAN's integrated textile supply

38. Ibid
39. http://www.amrc.org.hk/sites/default/files/Labour%20Rights%20in%20High%20Tech%20Electronics%20-%20AMRC.pdf
40. https://aseanup.com/thailand-automotive-industry-overview/
41. http://www.fibre2fashion.com/industry-article/7680/thailands-booming-textile-and-apparel-industry

chain. For example, "Bangkok Weaving Mills Groups, delivers pre-dyed fabrics by road to Cambodia, where another factory cuts and sews them for international fashion brands".[42]

Like other countries in SEA Thailand has come under fire for modern slavery practices. This has also been the case in the textile and garment industry. Thailand utilises a lot of migrant labour in its industries, especially from Myanmar. Of the about two million migrant workers in Thailand, workers from Myanmar constitute about 75%, For example, in Mae Sot, one of the biggest entry points of migrant workers from Myanmar, there are over 200 textile and garment factories.[43]

8.4. Banking Industry

Thailand is one of the few SEA countries with a high level of financial service penetration. Approximately 78% of the population over 15 years of age have bank accounts compared to only 31% in the Philippines and Vietnam. Only Malaysia has a higher penetration rate at 81%.[44] This makes the banking industry an important ally in the fight against modern slavery and human trafficking.

In 2016 the banking industry performed as follows:

Total assets held by financial institutions in Thailand stood at THB23.54tn as of July 2016, up 3.5% y/y. Commercial banks represented 74.6% of the banking industry, with Bangkok Bank remaining the key dominant player in terms of total assets. Meanwhile, banking loans growth grew by 4.9% in Jun-2016, compared to 3.7% in Dec-2015. The growth mostly stemmed from financial business, services and construction, while consumer loans growth continued to decline in line with slow economic recovery. Loan quality continued to deteriorate as non-performing loans (NPL) increased, resulting in NPL ratio of 2.72% in Jun-2016, up from 2.38% in the same period last year. Nonetheless, banks generally have had ample buffer capital for expected losses as capital ratios remained strong in the first half of 2016, signifying a solid financial position for banks in Thailand.[45]

The top 10 banks listed in Thailand in 2016[46]

Rank	Company	Total assets, US$ billion
1	Bangkok Bank	83.6
2	Siam Commercial Bank	81.4
3	Krungthai Bank	81.0
4	Kasikornbank	70.8
5	Bank of Ayudhya	35.2
6	Thanachart Bank	28.4
7	TMB Bank	23.8
8	Kiatnakin Bank	18.1
9	CIMB Thai	8.2
10	Standard Chartered Bank (Thai)	6.1

42. https://www.bizvibe.com/blog/thailands-textile-apparel-industry-overview/
43. https://www.somo.nl/wp-content/uploads/2016/02/FactsheetMigantLabour.pdf
44. http://datatopics.worldbank.org/financialinclusion/
45. http://www.intellinews.com/reports/thailand-banking-industry-report-2016-28994/
46. http://banksdaily.com/topbanks/Thailand/total-assets-2016.html

8.5. Construction (TBC)

8.6. Tourism, Food Service & Hospitality

8.6.1. Tourism

Tourism has been a major force driving growth in the Thai economy. According to the Asian Bank's Tourism Sector Assessment, Strategy, And Road Map for Cambodia, Lao People's Democratic Republic, Myanmar, And Viet Nam (2016–2018) report, international visitor arrivals in Thailand amounted to 29.8 million in 2015. Thailand's share of tourism in ASEAN stands at 27%.

International Visitor Arrivals, 2008–2015 ('000)[47]

	2010	2012	2014	2015	Average Annual Growth Rate (%)	ASEAN Share (%)
Cambodia	2,508	3,584	4,503	4,775	12.3	4.4
Lao PDR	2,513	3,330	4,159	4,684	15.2	4.3
Myanmar	792	1,058	3,081	4,681	57.7	4.3
Viet Nam	5,050	6,848	7,874	7,944	9.5	7.3
Subtotal	10,863	14,820	19,617	22,084	15.1	20.3
Brunei Darussalam	214	209	201	218	-0.5	0.2
Indonesia	7,003	8,045	9,435	10,407	9.5	9.6
Malaysia	24,577	25,033	27,437	25,721	3.5	23.6
Philippines	3,521	4,273	4,833	5,361	8.2	4.9
Singapore	11,639	14,491	15,095	15,231	5.8	14.0
Thailand	15,936	22,354	24,780	29,881	10.9	27.4
Subtotal (ASEAN-6)	62,890	74,405	81,781	86,819	7.1	79.7
Total (ASEAN)	73,753	89,225	101,398	108,903	8.4	100

8.6.2. Food Service and Hospitality

According to the GAIN Report, "Thailand's highly competitive hotel, restaurant, and institutional food service (HRI) sector comprises approximately 150,000 outlets including some 100,000 restaurants and more than 5,000 hotels and resorts…The industry has steadily increased in recent years driven by continuous growth in the country's tourism industry as well as a change in consumer behavior as modern urban families tend to eat out more regularly. This sector attracts middle to higher income Thais, corporate businessmen, expatriates, and tourists. In 2015, consumer expenditures on hotels and catering per capita were $491, which accounted for 15 percent of total consumer spending."

47. https://www.adb.org/sites/default/files/institutional-document/227186/clmv-tourism-sector-assessment.pdf

9. Modern Slavery and Human Trafficking

9.1. Overview

In Slavery and human trafficking in the Mekong region, Occasional Paper 1, November 2016, Dr. Zoë Fortune provides a broad outline of the problematic of human trafficking and modern slavery in the Mekong Region. According to the report, "slavery exists within each of the countries of the Mekong region (Cambodia, China, Laos, Myanmar, Thailand and Vietnam). There is also a large amount of migration within the region, with certain countries being predominantly source (such as Vietnam) whilst others are predominantly destination countries (such as Thailand)."

This section is an extract from the report that summarized the conditions in Thailand.

The extent of the problem in Thailand can be best be understood within the context of the broader region. Using the Global Slavery Index[48], the estimated numbers of people in modern slavery, together with the government response for countries in the Mekong region are shown below. Government response data is measured by the Global Slavery Index as an assessment of composite factors of the survivors supported, criminal justice, coordination & accountability, addressing risk and government & business. They also provide a measurement of vulnerability to modern slavery based on civil and political protections, social health and economic rights, personal security, refugees and conflict (higher scores mean greater vulnerability).

Global Slavery Index

	Number in slavery (GSI)	% (GSI)	Government response rating	Mean vulnerability to modern slavery score
Global figures	45.8m			
Cambodia	256,800	1.648 (ranked 3rd in prevalence not absolute number out of all countries by proportion of population)	CCC	41.51
China	3,388,400	0.247 (in Mekong then china has the highest absolute number by virtue of being biggest pop, 2nd in world after India)	CCC	44.66
Laos	20,000	0.295	CCC	36.45
Myanmar	515,100	0.956	CCC	56.36/100
Thailand	425,500	0.626	B	47.54
Vietnam	139,300	0.152	B	29.34

Thailand is a source, destination and transit country for men, women and children subject to forced labour and sex trafficking[49]. Victims come mainly from Myanmar, Cambodia, and Lao PDR in addition to Russia, South China, Uzbekistan and Vietnam 38 Work is within the fishing, seafood processing, low end garment production and domestic work.

48. https://www.globalslaveryindex.org/findings/
49. Trafficking in Persons Report. 2016. U.S. Department of State.

9.2. Migrant Population

Migrant workers comprise approximately 10% of the Thai workforce and are said to be an integral part of Thailand's market competitiveness[50]. In 2014, it was estimated that there were between 3-4 million migrants working in Thailand's labour-intensive industries, including seafood processing and fisheries, construction, agriculture, domestic work, and manufacturing sectors such as textiles and garments, making up the majority of workers in seafood processing, garment factories and almost all domestic work. Approximately 80%t of the migrant workers in Thailand are from Myanmar, with the next two largest migrant populations coming from Cambodia and Lao[51]. It was estimated that migrant workers contributed, on average, one percent to the Thai real GDP as well as being consumers of local goods and services.

In 2016, the Global Slavery Index 2016 estimated the number of people in slavery to be 425,000, or 0.63% of the total population across several sectors[52]. Migrants, refugees, stateless and street working children have been found to be especially vulnerable to trafficking, together with hill tribes who do not have citizenship.

In 2006,[53] Thailand was found to be the number one destination country in the cross-border trafficking of women and children with most victims from Myanmar, Lao PDR and Cambodia. This study included a survey of 367 young migrants across agriculture, fishing and manufacturing, together with a previous study of domestic workers and found that a 'small but significant' number of young migrant workers were under forced labour conditions with 20% of those interviewed on fishing boats and 9% of those in fish processing stated they were 'forced to work' compared to 2% in agriculture and 1% in manufacturing.

Thai workers also migrate to other countries. Approximately 20,000 Thai men and women work on Israeli owned farms performing a variety of labour intensive jobs. Human Rights Watch found that men were paid salaries below the legal minimum wage, forced to work long hours in unsafe working conditions and denied the right to change employers[54].

9.3. Domestic Workers

Domestic workers within Thailand are predominantly female from rural Thailand (including ethnic minorities), Cambodia, Laos and Myanmar, some of whom are the children of migrants working formally and informally in Thailand. Victims often report that their employers physically and sexually abuse them, confine them within the home, withhold their pay and withhold their identification documents, all of which render the victims' ability to escape from their exploitation much more difficult, or impossible.

9.4. Commercial sexual exploitation

Victims within Thailand's sex industry have come from Cambodia, Laos, Myanmar and Vietnam with victims from Bangladesh, Pakistan, Vietnam, North Korea and China transiting through Thailand en route to Indonesia, the U.S, Western Europe, Singapore and Russia. In 2002 it was estimated[55] that 40% of all those involved were under 18, suggesting that 80,000 children are involved in commercial sexual exploitation in Thailand, with most coming from rural areas or neighbouring countries. Of the 595 victims of human trafficking identified by the government in 2014, 222 were victims of commercial sexual exploitation, most of whom were girls from Laos and Thailand although these

50. Migrant workers in Thailand's garment factories. 2014. Clean clothes campaign
51. 52. Ibid
53. The Mekong Challenge. Underpaid, overworked and overlooked. The realities of young migrant workers in Thailand (volume 1). ILO. 2006.
54. A Raw Deal: Abuse of Thai workers in Israel's agricultural sector. 2015. Human Rights Watch.
55. Dotteridge, M. Kids as Commodities? Child trafficking and what to do about it. 2004. Terre des Hommes.

statistics refer only to those victims formally identified by the government.

Thai nationals have been subjected to forced labour and sex trafficking in Thailand and in countries in North America, Europe, Asia, and the Middle East.

9.5. Child Soldiers

Children as young as 14 have been recruited and used by armed groups[56] and research has also found evidence of under 18s engaged in the use of firearms, in active combat and performing support roles[57] as well as being soldiers and lookouts or informants/combatants. One group reported that there was no 'comprehensive research on the recruitment and use of children by armed groups in Thailand'.

9.6. Manufacturing

Garments and textiles are considered one of Thailand's largest and most lucrative export industries[58] In 2013, the number of registered garment factories in Thailand was spinning 167, weaving 617, dyeing & printing 391, knitting 686, man-made fibre 12, apparel 2171.

An ILO report[59] in 2002 found that home based work involving subcontractors appears to be increasing in many countries. One study found that production in several countries including Thailand had shifted from factories to homes for products ranging from carpets to leather good to hybrid seeds". A UNICEF report 64 also found that 15% of the children in their study were working in home based work. This is important to note as factory inspections may not extend to this area and these workers may be more vulnerable to exploitation.

The Clean clothes campaign carried out a report on 30 workplaces with 440 workers in the garment industry across 4 countries of which Thailand was one. They found working excessive hours for poor wages, no voice, and a lack of job security with purchasing practices to blame.[60]

9.7. Fishing Industry

Thailand is the third largest seafood exporter in the world, with seafood exports valued at $7.3 billion in 2001. The value of US imports alone exceed $1.6 billion in 2013[61].The industry employs more than 800,000 people[62] but rising overheads, smaller catches and mismanagement have meant that operators have tried to cut costs, resulting in a labour shortfall[63]. In 2012, the National Fishers Association of Thailand estimated that 50,000 fishers were required to address the shortage in the sector although it is difficult to assess the total population of fishers or boats, especially as not all are registered and some operate illegally. In 2012, the estimate from the NFAT amongst its members was 142,845 fishers on 9253 boats owned by 5560 owners. Workers on Thai fishing boats are from a range of nationalities but it is commonly acknowledged that workers trafficked into slavery conditions on Thai boats are from Cambodia and Myanmar. In addition, land-based shrimp and seafood processing constitute a vital part of the industry – Thailand's shrimp production and processing industries generate from than UD $2 billion per year[64]. The shrimp industry employs 700,000 workers, 80% are migrants, primarily from Myanmar.

56. Southern Thailand. Ongoing recruitment and use of children by armed groups. Child Soldiers International, Cross Cultural Foundation. 2014.
57. Ibid
58. Migrant workers in Thailand's garment factories. 2014. Clean clothes campaign.
59. Report of the Director-General. A future without child labour. Global report. 2002. ILO.
60. Cashing in. Giant retailers, purchasing practices and working conditions in the garment industry. Clean clothes campaign.
61. Slavery at Sea. The continued plight of trafficked migrants in Thailand's fishing industry. Environmental Justice Foundation. 2014.
62. Thailand's seafood slaves. Human trafficking, slavery and murder in Kantang's fishing industry. 2015. Environmental Justice Foundation.
63. Slavery at Sea. The continued plight of trafficked migrants in Thailand's fishing industry. Environmental Justice Foundation. 2014.
64. Migrant and child labor in Thailand's shrimp and other seafood supply chain. Labor conditions and the decision to study or work. 2015. The Asia Foundation, ILO.

A study examining workers in the Samut Sakhon region found that 160,000 to 200,000 workers in the region are foreign migrants with 'the majority of migrant workers and their families from Burma' [Myanmar]. This study also found that 33.6% of Myanmar migrants working in the seafood processing unit in Samut Sakhon had been trafficked into forced labour and that 57.3% had been subjected to forced labour. Research has also identified a number of issues relating to migrant children including hazardous working conditions, twice as likely to incur injuries, lack of safety equipment, lack of contracts and long working hours (49.6 hours a week on average for migrant children).

Similar findings have been noted by the ILO in a large study[65] on employment practices and working conditions in Thailand's fishing sector. This study of 596 fishers was non-probability sampling meaning that it may have been more likely to include certain populations, but they also found that in their sample, 40.4% were from Cambodia, 51.3% from Myanmar with 8.2% from Thailand. Twenty-six out of 59 were found to be aged under 15-17 and 7 under age 15 (just over 1% of the sample), most from Myanmar. Overall, the study found that the majority of respondents who reported working in the sector against their will were from Myanmar, few were Cambodian and none were Thai. Conditions of forced labour were more prevalent on long-haul fishing boats compared with short-haul, with nearly 25% of long haul fishers surveyed subject to deceptive or coercive labour practices. Approximately 16.9% surveyed identified themselves as being unable to leave work for threat of penalty – 12% of these were due to a financial penalty and 4.9% due to the threat of violence or denunciation to the authorities. The working conditions for these 4.9% were found to be worse and consistent with several labour exploitation. Working conditions were also reported to be extremely poor with over 10% reporting that they had been severely beaten on board, although not necessarily by the current employer and 42% said that a portion of their wages had been deducted for costs including debt, food and accommodation.

In general, life aboard a Thai fishing vessel has been reported as a 'hellish experience'[66] with crew working in inhumane hours in dangerous conditions, subject to verbal and physical abuse. A quarter of workers worked between 17 and 24 hours a day with some being force fed methamphetamine to get them to work harder, faster and for longer. The system of debt bondage means that men are trapped for years with physical illness and injuries and verbal and physical abuse. The review also noted witnessing of murders or even suicides to be 'disturbingly common'. In a large study of 1102 men women and children receiving post trafficking assistance in Cambodia, Thailand and Vietnam 71, 68% had experienced physical abuse during their time on board Thai fishing vessels. These kinds of experiences have severe consequence on mental health with 60% of interviews showing mental health symptoms and 36% showing symptoms of post traumatic stress disorder.

A report for Nestle[67] also found abusive working and living conditions, physical violence, intimidation and threats. Deceptive recruitment practices that started in home countries, transported to Thailand under inhumane conditions, charged excessive fees leading sometimes to debt bondage, exploitative and hazardous working conditions, poor living conditions. Not given information prior to the job, underage workers identified in sea work lacked appropriate documentation, withholding of pay, intimidation, harassment, verbal and physical movement. Another study found that nearly half (46.6%) of those trafficked for commercial fishing reported at least one serious injury.[68]

65. Employment practices and working conditions in Thailand's fishing sector. International Labour Organisation, 2013.
66. Thailand's seafood slaves. Human trafficking, slavery and murder in Kantang's fishing industry. 2015. Environmental Justice Foundation.
67. Recruitment practices and migrant labor conditions in Nestle's Thai shrimp supply chain. An examination of forced labour and other human rights endemic to the Thai seafood sector. Verite.
68. Zimmerman, C. et al. 2014. Health and human trafficking in the Greater Mekong Subregion. Findings from a survey of men women and children in Cambodia, Thailand and Viet Nam. International Organization for Migration and London School of Hygiene and Tropical Medicine.

However, in 2013 ILO[69] reviewed the evidence base and found that 'research into deceptive and coercive labour practices in the fisheries sector is not comprehensive or coordinated. Rather, a common denominator of most empirical research conducted on forced labour and human trafficking in the fisheries sector is that it is case driven or coincidental to broader research questions into, for instance, conditions of migrant labourers or criminal activities at sea. The literature is therefore fragmented and often anecdotal, providing little insight into the prevalence of forced labour and human trafficking in the fisheries sector.' The criticisms levelled were that the sources were not always clear as to whether the practice meets the definition of forced labour or human trafficking found in legal instruments and 'the vagueness surrounding the identification of victims and perpetrators appears to reflect a more widespread problem of uncertainty regarding the definitions of these terms and the conditions that must be satisfied in order to identify victims and perpetrators of forced labour and human trafficking.'

On child labour, in 2012 it was estimated that 6,000 to 8,000 children under age 15 were estimated to be employed in Thailand's seafood processing industry as well as 20,000 to 30,000 aged between 15 and 17[70]. This number is notable as a report on migrant children and child labourers noted that 'numerous migrant child labourers are forced to work as hard as adults even though they are between 15 and 18 years'.

There has been found to be a failure of regulation in both design and reinforcement[71]. The Thai government has introduced legislative and regulatory reforms but the implementation of these has been 'inconsistent' at sea and in ports with inspection systems underfunded, plagued by corruption and constrained by inadequate vessel monitoring. The private sector has been reported to be active, for example via the Shrimp Sustainable Supply Chain Task Force which has 'set goals to establish credible tracing and auditing systems, develop a model mode of conduct, and drive regional fishery improvements'. A recent report[72] notes its significant improvements in some areas – but questions remain about longevity, voluntary compliance structure and the degree to which it is 'meaningfully involving NGOs and worker representatives'.

Actions are also failing to prevent the ongoing human rights abuses[73]. Insufficient action by the Thai government to address the issues of 'illegal unsustainable fishing and associated human rights abuses, including the routine use of slavery and extreme violence, had left the Thai seafood sector engaged in one of the most outrageous ecological and human rights abuses of recent years'.
In relation to other food products, a study on the poultry industry noted that 270,000 tonnes of poultry products were shipped from Thailand to the EU in 2014. Interviews with factory workers revealed that 'workers are in different levels of debt bondage' and practices indicated levels of trafficking for forced labour exploitation[74]. Children in Samut Sakhon were reported to enter the workplace before they should, placed in dangerous working conditions in poorly regulated facilities. A questionnaire with 100 children revealed that most start work around 15 years old but some were as young as 7. Working hours were around 9.5 hours a day, 6 days a week but up to half report working overtime between 3 and 5 hours a day. For around a third, the job involved washing, scraping and peeling shells with 13% working in the frozen food assembly line and 9% responsible for loading and unloading, packing and carrying and identifying and sorting fish.

69. Caught at Sea. Forced labour and trafficking in fisheries. ILO. 2013.
70. A report on migrant children & child labourers and seafood processing in Thailand's fishing industry. 2015. Terre des hommes.
71. Assessing government and business responses to the Thai seafood sector. 2016. The Freedom Fund, Humanity United.
72. Assessing government and business responses to the Thai seafood sector. 2016. The Freedom Fund, Humanity United.
73. Thailand's seafood slaves. Human trafficking, slavery and murder in Kantang's fishing industry. 2015. Environmental Justice Foundation.
74. Trapped in the kitchen of the world. The situation for migrant workers in Thailand's poultry industry. SwedWatch, FinnWatch. 2015

9.8. USA Department of State "Trafficking in Persons" Report – June 2017 Update

According to the USA Department of State's "Trafficking in Persons" report of June 2017, the Government of Thailand does not fully meet the minimum standards for the elimination of trafficking; despite ongoing reforms. Actions taken by the government include seizing more than 784 million baht ($21.91 million) from traffickers, allowing the hiring of foreign nationals as interpreters, implementing new guidelines to improve the victim identification process used by multidisciplinary teams and the provision of training.

The report states that the government did "not demonstrate increasing efforts compared to the previous reporting period. It did not aggressively prosecute and convict officials complicit in trafficking crimes, and official complicity continued to impede anti-trafficking efforts. …. Therefore, Thailand remained on Tier 2 Watch List for the second consecutive year."

A core part of the report's recommendations focusses on training law enforcement, inspectors and first responders. Getting victims to "cooperate with law enforcement in the investigation and prosecution of trafficking cases, including providing foreign trafficking victims legal alternatives to their removal to countries in which they would face retribution or hardship" are some of the other solutions recommended.

Overall legislation is considered sufficiently stringent and commensurate with penalties prescribed for other serious crimes.

info@themekongclub.org

www.themekongclub.org