

Social innovation in Thailand

National Innovation Agency, Thailand

<http://www.nia.or.th>

Social innovation business

It is a new strategy that is globally important to bring innovation to solve social problems. It is a process, a tool and an operation to make the society better by meeting the needs of society. An important foundation in the development of the country, Sustainable Social Business has main drivers such as Community Enterprises (CE), Cooperatives, Farmers, and Social Enterprises (SE). The social innovation strategy includes value added with innovation and using innovation to offer new solutions, new thinking approaches, and new ways of solving problems.

The National Innovation Agency (NIA) is the main organization in the development of the National Innovation System (NIS) in Thailand, using both academic and financial mechanisms. It has initiated the action plan, "**Social Innovation Business**" as the foundation for the development of a community-based business innovation that is sustainable.

Sci-Tech Coupon Programme

The Ministry of Science and Technology of Thailand supports the development of One Tambon, One Product (OTOP) entrepreneurship by community enterprises by using science, technology and innovation to research and develop innovative products through:

- Development and design of packaging, development and design of production processes.
- Development of standard systems.
- Development and design of machinery, improving the quality of raw materials, water, contributes to the agricultural sector.
- Industry trade and service sectors in the fields that respond to the direction of economic and social development of the country.

The target group has 3 categories:

1. **OTOP Start-up manufacturers or entrepreneurs who have just started (OTOP Start-up):** Community enterprises, cooperative groups, unlicensed cooperatives that require science,

technology and innovation to use, build and develop products, services and create new businesses.

2. **Existing:** OTO operators and existing groups of entrepreneurs who have registered as OTO entrepreneurs who need to be scientific.
3. **Overtop entrepreneurs** who are companies or partnerships and want to increase the growth potential of the entrepreneurial group of companies. Limited partnership that produces and distributes community products / local products / OTO products has been listed as an OTO entrepreneur that needs science, technology and innovation.

There are 6 service areas:

1. Develop product innovation.
2. Development and design of packaging.
3. Develop and design production process.
4. Develop standard system.
5. Development and design of machinery.
6. Upstream quality development.

National Innovation Agency (NIA), Thailand plays a key role in driving the social enterprise sector into a systematic thinking process for innovation. It is in tune with innovation insights.

Example of NIA's contribution to the creation of a community product of a social enterprise:

- The batik color separator from rubber with Songkhla Batik community enterprise.
- Translucent and lightweight pottery with nano soil, together with community enterprises, handicrafts.
- Pottery House Kung Mine.
- Natural textiles with soft shadows and softness, together with the community enterprise, ancient weaving village of Ban Phueang.

Directory of Outstanding ASEAN SMEs

The "Directory of Outstanding SMEs in ASEAN", listing over 800 SMEs in ASEAN priority integration sectors (PIS), has been launched to complement the publications on innovative and outstanding SMEs and SME Guidebook.

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Catalyzing digital innovation ecosystems in Malaysia

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The future lies in innovation, and at Malaysia Digital Economy Corporation (MDEC), we believe that being ahead of the technology curve is the way to future-proof businesses. Big Data Analytics (BDA), the Internet of Things (IoT), E-Commerce, and Data Centre & Cloud are our key focus areas that have been identified as catalysts that will kickstart and sustain an ecosystem of digital innovation, keeping us at the forefront of technology.

Big Data Analytics (BDA)

Malaysia is one of the few countries with a structured Big Data Analytics (BDA) roadmap to untap the value of big data. At the turning point of digital revolution, the powers of big data can be used to describe a problem, assess a situation, forecast results, and prepare solutions. Business owners, government, and citizens all stand to gain from Malaysia's vision as ASEAN's leading BDA solution hub.

To make this vision a reality, MDEC is spearheading this platform to lead efforts and create conversations. MDEC works to encourage and increase BDA adoption across all sectors by developing talent in the field of data science and enabling strategic partnerships, while introducing upskilling efforts and spurring integrated initiatives.

Our Strategic initiatives are:

- Generating (Increasing) the usage of BDA in private sectors.
- Catalysing the adoption and usage of BDA in public sectors.
- Building the BDA industry in Malaysia.

To propel MDEC forward as an industry leader in ASEAN, we have set up the ASEAN Data Analytics eXchange (ADAX), a regional platform that brings together innovative talent development models and showcase the latest BDA technologies. A national initiative to benefit Malaysia, ADAX has the unique opportunity to serve a greater national agenda. This aspiration can only take flight by building a Big Data community through shared values, skills building and collaboration around a robust data analytic ecosystem.

By piloting advanced data analytics use cases for the ASEAN region and providing a co-working location for BDA start-ups and accelerators, ADAX has a unique opportunity to catalyse the migration of traditional organisations to become Data Driven Organisations.

Data centre & cloud

Malaysia's Data Centre & Cloud industry is marked by broad trends of expansion, efficiency, and consolidation. Rising above comparisons like China, Indonesia, and India, Malaysia holds the advantage

in attracting potential clients and investors thanks to a climate of political stability, location that is free from natural disasters, and competitive real estate market. With a year-over-year growth of over 20% in the last five years in Malaysia, the field of digital data management has never been more ripe for the picking.

The main strategy for the proliferation of data centre and cloud is to cement Malaysia's position as the epicentre for technology-driven delivery of digital content and services in the region, with centres spanning 5 million sq ft by 2020. MDEC works to position Malaysia as a regional hub for data centre and cloud services by leveraging on various factors such as cost efficiency, availability of skilled workers, and a strong foundation of data governance laws.

Local data cloud players are strengthened through MDEC's initiatives by priming their high-value services to be regionally competitive. This is done by facilitating the growth of data centre parks in strategic locations through world-class physical and soft infrastructure.

International businesses also stand to gain from MDEC's FDI policy as it offers an attractive portfolio of incentives for Cloud/Internet Giants to invest and set up facilities in Malaysia.

E-commerce

We live in a time where half the population are digital buyers, which is why e-commerce is an important stepping block to 'future proof' existing businesses while opening up market access. However, the e-commerce ecosystem development in Malaysia is still at an early stage.

According to A.T. Kearney findings under the National E-Commerce Strategic Roadmap, Malaysia is at a turning point of e-commerce growth which must be sped up through government involvement. Issues that need to be resolved are lack of offerings, poor fulfilment experience, low adoption and awareness and lack of supporting ecosystem.

For Malaysia to move beyond the early stage, it needs a strong support and focused government intervention to drive it forward to the growth stage. Through efforts such as #MYCYBERSALE which started in 2014, we have achieved RM67 million Gross Merchandise Value (GMV) in 2014 and RM117 million in 2015. This was made possible by close cooperation with our e-commerce ecosystem players, thereby transforming Malaysia's e-commerce landscape.

In addition to programmes like #MYCYBERSALE, #MYGlobalExport, and eTRADE, the National e-Commerce Strategic Roadmap was developed to double the e-commerce growth rate from 10.8% to 20.8% by the year 2020. This is done through specific government interventions along these Six Strategic Thrusts:

- Accelerate seller adoption of e-commerce
- Increase adoption of e-Procurement by businesses
- Lift non-tariff barriers
- Realign existing economic incentives
- Make strategic investments in selected e-commerce player(s)
- Promote national brands to boost cross-border e-commerce

Internet of Things (IOT)

In the world of rapid digital interaction, IoT gives insights on how consumers integrate technology in their daily lives, a valuable information that can be used in various ways. The growing need for internet-related products and services is driving this transition, not only globally but also here in Malaysia.

In 2015, the Ministry of Science, Innovation & Technology Malaysia launched the National IoT Strategic Roadmap, which forecasted opportunities to reach RM9.5 billion in 2020 and RM42.5 billion in 2025. This is all done to create a national ecosystem to make IoT a new source of economic growth with its industrialisation and proliferation of use.

The National IoT Strategic Roadmap outlines 3 national goals:

- Malaysia as the Regional Development Hub for IoT

- Create a conducive IoT industry ecosystem
- Strengthen technopreneur capabilities in Apps & Services layer

The 3 long-term strategies for IoT are:

- Open Innovation Framework
- Open Community Data Framework
- IoT Malaysia

MDEC has been tasked to lead the IoT industry developmental charter called IoT Malaysia. With this mandate, we have focused our efforts on key verticals that will not only increase the digital adoption and growth of IoT in Malaysia, but also digitalize the way they operate, which include Smart Manufacturing, Smart Agriculture and Smart Transportation.

- Industry Development – to raise critical mass and competitiveness of IoT companies to drive demand
- Digital Transformation – to facilitate IoT adoption and proliferation through public-private partnership for business, government and citizen
- Ecosystem Development – to facilitate the development of IoT ecosystem and enabling environment

Creative Productivity Index: Analysing Creativity and Innovation in Asia

This report presents the results and analysis of the Creative Productivity Index (CPI) for a select number of Asian economies. The CPI was built by The Economist Intelligence Unit. The Asian Development Bank (ADB) commissioned the work on developing the CPI as part of an overall study on Asia's knowledge economies. The report provides a benchmarking of a number of economies in Asia on creative productivity, an important attribute for strengthening knowledge-based economic development. This index gives policy makers a unique tool to assess how to foster creativity and innovation in Asia. Innovation-led growth is crucial for developing Asia to maintain and accelerate the pace of growth of its economies.

Following are the key findings of the CPI:

- Japan leads the CPI, followed by Finland and the Republic of Korea;
- Cambodia and Pakistan, with much room for improvement, are ranked lowest in the CPI;
- Singapore leads the CPI for innovation inputs;
- Finland and Hong Kong, China are best in the CPI for innovation outputs;
- Low- and middle-income economies will benefit most from policies to increase creative inputs; and
- There are many different dimensions of creativity that are captured in this report.

Many Asian developing economies face a challenge to avoid being stuck in the middle-income trap. They need to transition from an imitation-driven economy to an innovation-based growth model more commonly found in developed countries. Richer economies are clearly able to invest more in physical infrastructure such as transport networks, communications, and power generation, which are key underlying factors in economic creativity and innovation. However, some differences are a result of the enabling environment that facilitates the generation of creative outputs from creative inputs. A poorer country may not be able to muster the same level of creative inputs as a richer country, but can still benefit by using what resources it does have efficiently. While the precise policy recommendations will differ for each economy, the results of this report highlight a number of important policy areas where an increased emphasis would be beneficial for many Asian economies.

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