Support **positive economic**, social and environment **links between urban, peri-urban and rural areas** by strengthening national and regional development planning.
The steady urbanization of Southeast Asian nations is generally viewed as a positive development in the economic history of the region. **Cities** are recognized as a **heart of economic growth** and contribute significantly to national incomes. However, **poverty and inequality** incidence is **still much higher in rural areas than in urban areas**.

- Both natural and human resource are pulled to support industrial production
- Disparities in economic and social development are widened

- Gini coefficient for China remained higher than the rural Gini and the urban Gini
- India’s Gini coefficient for expenditure at the national level has increased steadily
- There is comparative high levels of inequality in Malaysia, Philippines, and Vietnam
What about Thailand?

Overall poverty rate continuously declined over the past 10 years. Share of population under poverty line, or poverty rate, fell from 32.4 percent in 2003 to 21.9 percent in 2006 and 13.2 percent in 2011. In 2013, the rate stood at 10.9 percent, with number of poor at approximately 7.3 million persons.
### Urban Poverty Rate (%)

<table>
<thead>
<tr>
<th>Region</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangkok</td>
<td>1.91</td>
<td>1.06</td>
</tr>
<tr>
<td>Central</td>
<td>4.74</td>
<td>3.95</td>
</tr>
<tr>
<td>North</td>
<td>15.71</td>
<td>15.21</td>
</tr>
<tr>
<td>Northeast</td>
<td>19.13</td>
<td>16.39</td>
</tr>
<tr>
<td>South</td>
<td>9.02</td>
<td>7.98</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8.80</strong></td>
<td><strong>7.70</strong></td>
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### Rural Poverty Rate (%)

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When considering poverty across regions, poverty was largely concentrated in the North and Northeast regions, both in rural and urban areas.
How could we reduce these disparities across the regions and between rural and urban areas like Thailand?
Recommendation

- We would like to introduce you an **OTOP Model**

- **OTOP** stands for ‘One Tambon One Produce’ (Tambon meaning sub-district). It is a local entrepreneurship stimulus program which aims to support the unique locally made and marketed products of each Thai tambon all over Thailand.

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**THE PRINCIPLE OF “OTOP”**

- The implementation of the OTOP project has the following objectives:
  - To create job opportunities and income generation for the community;
  - To enable the community to think and work by themselves;
  - To promote local wisdom;
  - To promote human resource development; and
  - To promote initiative on the part of the community to develop products in accordance with their livelihoods and local cultures.
The overall trend of OTOP revenue from 2015 to 2018 was increasing continuously which is a really good result.

Moreover, it reflected that the objectives of OTOP are achieved.

OTOP creates not only jobs, but also a new revenue stream for local people. Eventually, the disparity of income between rural and urban areas will disappear.
A good sign of OTOP

Let’s imagine, when we have business model, what’s the next step we should consider?

Of course, it’s a transportation. How could we send out our products between regions or even between rural and urban areas? Are there any supportive factors?

Yes! One of the supportive trend in this century is delivery.

• Revenue in the Platform-to-Consumer Delivery segment amounts to US$1,123m in 2019.
• Revenue is expected to show an annual growth rate (CAGR 2019-2023) of 20.3%,
A good sign of OTOP

- In the Platform-to-Consumer Delivery segment, the number of users is expected to amount to 45.6m by 2023.
- User penetration is 3.3% in 2019 and is expected to hit 6.6% by 2023.
- Food delivery services are not new, but apps and smartphones are expanding the reach of delivery services. Globally, the online food delivery market is worth more than US$35 billion annually, and is forecasted to reach US$365 billion by 2030.
  - Consumer can order from variety of menus through a single app.
  - Delivery systems tailor menus with many options of healthy meals.
  - The elderly and people with disabilities can have meals at home.
Implementation Plan

Phase 1: Share knowledge to local people “What is OTOP”

Phase 2: Help them to create their unique products

Phase 3: Put the products into their local center store

Phase 4: Use event marketing to promote products

Phase 5: Continuous improvement process

Present applied ingenuity as well as reflecting an ancient heritage and local inspiration:
- Unique raw materials
- Handmade
- Quality
- Masterpiece

Increase chances of achieving the following milestones:
- Jumpstarting brand awareness
- Attracting qualified leads
- Driving sales and revenue growth
- Building meaningful business relationships

Implement it on a wider scale
Continuously assess the results
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