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Newsletter

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J E T R O B A N G K O K U p d a t e

1. "The Japanese Car Life Culture" introduced by JETRO Bangkok, PROMIC and MPAJ

JETRO, together with the Foundation for Promotion of Music Industry and Culture (PROMIC) and the Music Publishers Association of Japan (MPAJ) organized the live concert "J-POP SIGNATURE IN BANGKOK" and hosted business matching sessions for Thai and Japanese investors in the music and auto industries. The activity was a part of the Bangkok International Auto Salon event, held from June 20-30, 2013 at IMPACT Arena.

JETRO, PROMIC and MPAJ introduced "The Japanese Car Life Culture" – the lifestyle of Japanese aficionados of automobiles who, while driving, enjoy the J-Pop music and the use of auto accessories with great design, function and quality from Japan, hence daily entertaining pastime.

For more information, visit the website:
http://www.jetro.go.jp/thailand/e_pree/pdf/jpopcar13eng.pdf

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2. Business talks on Japanese agricultural, fishery and food products in Thailand:- First matching event focusing on four items with great potential (beef, sea food, fruit and Japanese sake)

JETRO held Business talks on Japanese agricultural, fishery and food products in Thailand in Bangkok, the capital of the country, on August 1, 2013 inviting local buyers of Japanese food products.

Representatives from 23 Japanese companies and organizations, which wish to develop and expand overseas sales channels, visited Bangkok to attend the business meetings with local buyers. This is the first matching event focusing on four items with great potential (beef, sea food, fruit and Japanese sake) selected based on the export strategy of the Ministry of Agriculture, Forestry and Fisheries as well as market needs. The Japanese delegates engaged in vigorous business talks with more than 130 local buyers participating in the event.

For more information, visit the website:
http://www.jetro.go.jp/en/jetro/topics/1308_topics2.html

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JETRO ASEAN UPDATE

1. Sixth Dialogue between FJCCIA and Secretary-General of ASEAN Toward the realization of the AEC

On July 12, 2013, the Sixth Dialogue between the Federation of Japanese Chambers of Commerce and Industry in ASEAN (FJCCIA) and the Secretary-General of ASEAN was held in Hanoi, the capital of Vietnam.

This was the first dialogue since His Excellency Mr. Le Luong Minh from Vietnam was installed as the new Secretary-General of ASEAN.

In the dialogue, the ASEAN Secretariat reported on 33 major progress in 10 fields, such as customs procedures requested by the FJCCIA, problems in obtaining ATIGA Form D in AFTA, simplification and harmonization of standards and certificates and label systems, and thorough protection of intellectual property rights.

For more information, visit the website:
http://www.jetro.go.jp/en/jetro/topics/1307_topics3.html

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2. "Vietnam-Japan Relations: Partnership towards Regional Economic Integration in East Asia" symposium held in Hanoi

On July 12, 2013, alongside the Japanese Chambers of Commerce and Industry in ASEAN (FJCCIA) and the Economic Research Institute for ASEAN and East Asia (ERIA), JETRO co-organized the "Vietnam-Japan Relations: Partnership towards Regional Economic Integration in East Asia" symposium in Hanoi, Vietnam as a joint event of the 6th "Dialogue between the FJCCIA and the ASEAN Secretary-General." In the symposium, proactive discussions were made on progress in the ASEAN Economic Community (AEC), the significance and benefits of the Regional Comprehensive Economic Partnership (RCEP) and importance of regional economic integration. A total of approximately 260 representatives from the Vietnamese Government, local and Japanese companies, and media attended the symposium.

For more information, visit the website:
http://www.jetro.go.jp/en/jetro/topics/1307_topics2.html

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3. Mission to Myanmar aiming to help increase agricultural productivity and sales of Japanese products:-Building a foundation for business opportunity through industrial cooperation

JETRO implements projects to develop emerging markets and diversify supplier options for Japanese agricultural businesses, while responding to the needs for increasing agricultural productivity and promoting exports in Myanmar.

From July 29 to August 2, JETRO dispatched a mission consisting of representatives from 14 Japanese companies including fertilizer and agrichemical manufacturers, seed suppliers, processing companies of vegetables and fruits and importers of agricultural products. In Yangon, a briefing session concerning the business of Japanese companies and a business matching event were organized for Myanmar companies.

At the matching event approximately 60 business talks were held focusing on potential for outsourced cultivation of vegetables and fruits, the possibility for distributor contracts regarding fertilizers and agrichemicals and a survey on procurement of dry vegetables. Many of them were related to increasing agricultural productivity using Japanese seeds and fertilizers and exports of these products. JETRO will provide continued support to ensure that partnership initiated in the business talks is firmly maintained.

Next, members of the mission moved to Shan State located in the northeast area of the country. There they visited local farms, processing companies, wholesale and retail markets of vegetables and fruits as well as an agricultural training center.

Source: http://www.jetro.go.jp/en/jetro/topics/1308_topics4.html

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Events in Japan

1. IDE-JETRO and WTO co-organize international symposium on global value chains

The Institute of Developing Economies of the Japan External Trade Organization (IDE-JETRO) and the World Trade Organization (WTO) co-organized an international symposium titled "Global Value Chains: Quo Vadis?" in Tokyo on July 5, 2013.

Since 2011 when IDE-JETRO and the WTO published a report of their joint research on the trade patterns and global value chains (GVCs) in East Asia, the interest in the trade in value-added (TiVA) approach, the main topic of this research, has been rapidly growing among international organizations and governments around the world. The idea of trade in value-added is a new and unique concept that regards international trade not as flows of goods and services but as flows of "values" added during the production process. With a great number of organizations having launched research under this theme, this subject has shown a broad range of progress during the course up to now.

In this symposium, through comparison of various research approaches which have developed independently in each country or organization, the meaning of GVCs was reevaluated.

For more information, visit the website:
http://www.jetro.go.jp/en/jetro/topics/1307_topics3.html

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2. Business talks on agricultural, livestock and food products held in Asahikawa and Obihiro

JETRO Hokkaido invited foreign buyers eager to deal in foods produced in Japan for business talk events held in the cities of Asahikawa (July 30) and Obihiro (August 1) where they were matched with Japanese food producers and processers aiming to develop overseas markets. This was the first such event since the Inquiry Desk of JETRO Hokkaido was established in April this year inside the chambers of commerce in both cities.

Eight buyers from seven companies in Singapore, Thailand, Hong Kong, Macau and the US participated in the event. From the Japanese side, 18 in Asahikawa and 17 in Obihiro were involved in the business matching.

This first attempt to hold business talk events focusing mainly on primary products was to promote further JETRO's export activities related to agricultural, forestry and fishery products. High-quality products raised in Hokkaido were introduced to the overseas buyers. In addition, the invitation program included site visits for buyers to see first-hand the production process of these safe products and provided opportunities to exchange opinions between the buyers and producers.

JETRO Hokkaido will do follow-up on both sides to encourage continued business interaction.

After the business talks, both cities organized welcoming socials for the overseas buyers with the attendance of Asahikawa Mayor Masahito Nishikawa and Obihiro Mayor Norihisa Yonezawa respectively as well as many local producers and business people. Meals at both events were prepared from fine locally produced ingredients.

Source: http://www.jetro.go.jp/en/jetro/topics/1308_topics1.html

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3. Internship to emerging countries for fostering international workforce

Since FY2012 JETRO has organized a program which dispatches interns to emerging countries for the purpose of fostering a workforce ready to work in the international arena. As a joint project with the Overseas Human Resources and Industry Development Association

(HIDA) entrusted by the Ministry of Economy, Trade and Industry (METI), this program will send young Japanese people to governments, public infrastructure-related organizations and local enterprises in developing countries as "interns" for practical internships (on-site training at enterprises) overseas.

In the FY2012 METI Internship Project for Fostering Japan's Internationally Ready and Able Human Resources, 86 interns were dispatched to 12 countries. In addition to an improved curriculum this year, the number of interns will be doubled to 200.

In the first phase of this fiscal year, 104 interns were selected through rigorous screening. After receiving pre-training in August, they were dispatched to developing countries mainly in Asia from three to five-and-a-half months from late September. In the second phase, interns are scheduled to be sent for three months from late November.

Through enhancement of business skills and improvement of capabilities to cope with different cultures, JETRO aims to strengthen economic relationships with those countries, as well as to foster human resources who will be able to play a role in bridging business relationships between the countries.

For more information, visit the website:
http://www.jetro.go.jp/en/jetro/topics/1309_topics3.html

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4. JETRO organizes East Asia Supply Chain Symposium

JETRO co-organized the East Asia Supply Chain Symposium with the Korea Trade-Investment Promotion Agency (KOTRA) in Tokyo on September 25, 2013.

The world is embarking on an age of mega free trade agreements (FTAs). In East Asia, for example, there are negotiations on region-wide FTAs such as the Regional Comprehensive Economic Partnership (RCEP) and Japan-China-Korea FTA. Meanwhile, companies have constructed production networks across the entire region.

In this symposium speakers and panelists, joined by experts invited from China and Korea, discussed economic integration and business activities in this region. In Part 1, three researchers from Japan, China and Korea made presentations and discussed under the topic of "Supply Chains and FTA Policies in East Asia." In Part 2, companies of Japan and Korea talked and discussed under the theme of "Enhanced Supply Chains and Business Strategies in East Asia."

For more information, visit the website:
http://www.jetro.go.jp/en/jetro/topics/1309_topics5.html

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5. Matching events in Nemuro and Kushiro focused on exports of fishery products

In Nemuro on September 17 and in Kushiro on September 19 and 20 JETRO Hokkaido held matching events between overseas buyers interested in Japanese food products and local producers and food processors aiming to develop overseas sales channels. This is the fifth time in Nemuro and the first time in Kushiro which JETRO has held such events in collaboration with local municipalities and related organizations.

A total of seven overseas buyers from six countries and regions (Hong Kong, Macao, Singapore, Thailand, Malaysia and Indonesia) were invited to Hokkaido for the events. From Japan, 13 companies in Nemuro and 11 companies in Kushiro took part.

Business matching for primary products has been a focus for JETRO and in this event high-quality fishery and food items produced in Hokkaido were exhibited. The buyers also visited producers’ sites where they observed firsthand how these food items are produced, processed and distributed in a safe and secure manner. In addition, the program also offered an opportunity for the buyers and producers to directly exchange ideas.

JETRO Hokkaido will follow up on both the Japanese and overseas participants to ensure that the interaction which started on this occasion continues into the future.

After the business talks networking events with the buyers were held in both cities. Representatives from the two local governments, including Nemuro City Mayor Shunsuke Hasegawa and Kushiro City Mayor Hiroya Ebina, the Hokkaido Government Sub prefectural Bureau, related local organizations, producers and other local companies, attended these exchange opportunities. They offered local treats to express their hospitality to the buyers.

Source: http://www.jetro.go.jp/en/jetro/topics/1309_topics6.html

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What's new on the net?

New Reports from JETRO

Below are some recently published reports and events now available on the JETRO website.

2013 JETRO Global Trade and Investment Report - Revitalizing Japan through global business -

Key Points:

1. World trade and investment was low in 2012, while the world economy is predicted to remain at the same level in 2013
2. Japan's trade balance ended in the red for the second consecutive year
3. Japanese outward FDI increased for the second consecutive year, and investment toward ASEAN countries accelerated
4. Entering the era of mega FTAs, Japan shows a strong presence
5. FTA utilization by Japanese companies expanded
6. Consumer markets of emerging and developing countries with great potential
7. Risk management is important in tapping into emerging markets
8. Strengthening approaches to agricultural, forestry, fishery and food exports
9. Overseas business expansion of SMEs with great potential
10. Strengthening support system to promote FDI in Japan

For more information, visit the website:
http://www.jetro.go.jp/en/news/releases/20130808148-news

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JETRO Survey: Analysis of Japan-China Trade in the first half of 2013

Total trade sees a decline for the first time in four years on a first half-year basis due to China's economic slowdown, while trade deficit with China becomes the largest ever Converting yen-denominated statistics for imports (preliminary) and exports (revised) released by Japan's Ministry of Finance in July 2013 to US dollars, the Japan External Trade Organization (JETRO) found that Japan's total trade with China dropped 10.8% to US$147.3 billion in the first half of 2013, marking the first drop in four years on a first half-year basis since 2009, following Lehman's fall.*

Imports from China fell by 6.1% to US$85.8 billion, marking the first drop since 2009, and exports to China dropped for the second consecutive year by 16.7% to US$61.4 billion. As a result, Japan's balance of trade logged a deficit of over US$24.4 billion, an increase of 1.4 times over the same period of the previous year, setting a new record on a first half-year basis.

Also, Japan's total exports with the world decreased 12.6% from the same period of the previous year to US$358.1 billion. By country/region, Japan's contribution ratio in exports to the world was the largest ever with minus 3.0%. The drop in exports to China became a major reason for Japan's decreased exports.

For more information, visit the website:
http://www.jetro.go.jp/en/news/releases/20130820558-news

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E x p l o r i n g J a p a n

Survey of Business Sentiment of Japanese Corporations in Thailand for the 1st half of 2013 by JCCB

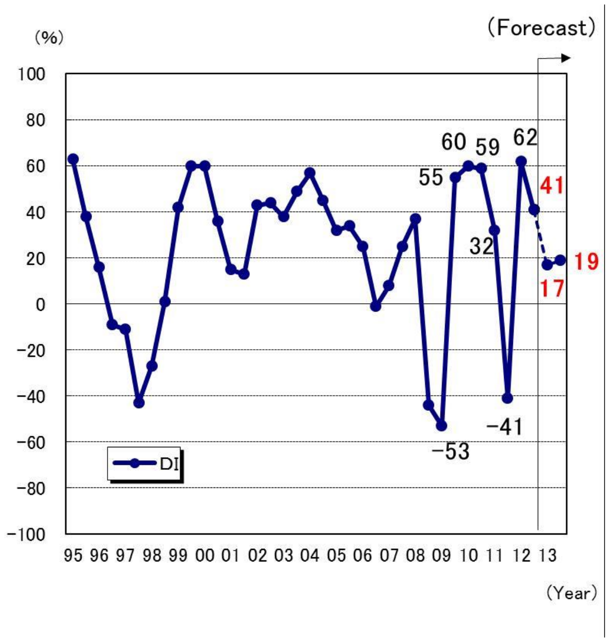
JCCB, Japanese Chamber of Commerce Bangkok, has conducted the business sentiment survey on Japanese corporations in Thailand twice a year for 29 years, which is the only comprehensive data describing the business situation of Japanese corporations in Thailand.

- The survey period was from May 23 to June 24, 2013
- Questionnaire was handed out to 1,453 JCCB members, of which 384 firms (61% from manufacturing sector while the remaining 39% from non-manufacturing sector) responded. (26.4%)
- Press release on July 30, 2013

Survey topics include:

1. Business Sentiment

- The business sentiment in the 2nd half of 2012 saw weaker improvement, compared with that of the 1st half of 2012 when economy rapidly recovered from the impact of the floods. For the year 2013, continuous improvement is forecast although the degree of improvement is slowing down.



2. Capital investment (Manufacturing sector)

- The percentage of the firms which anticipate "Increase" in their capital investments in 2013 was 41%. 24 % of the firms anticipate "No change" while 33% of the firms anticipate "Decrease".

Industry	No. of firms				No. of firms and (%)
	Increase	No change	Decrease	Undecided	Total
Food	3 (43)	2 (29)	2 (29)	0 (0)	7
Textile	6 (46)	5 (38)	2 (15)	0 (0)	13
Chemical	14 (47)	9 (30)	7 (23)	0 (0)	30
Steel/Non-ferrous metal	14 (45)	6 (19)	10 (32)	1 (3)	31
General machinery	3 (21)	4 (29)	7 (50)	0 (0)	14
Electric/Electronics machinery	11 (25)	9 (20)	23 (52)	1 (2)	44
Transportation machinery	21 (54)	10 (26)	8 (21)	0 (0)	39
Others	20 (44)	8 (18)	14 (31)	3 (7)	45
Manufacturing sector total	92 (41)	53 (24)	73 (33)	5 (2)	223

3. Export (check all that apply)

3.1 Export trend

- The percentage of the firms which anticipate "Increase" in their exports in 2013 was 42%. 36 % of the firms anticipate "No change" while 21% of the firms anticipate "Decrease".

No. of firms and (%)

Industry	Increse				No change	Decrease				No.of
		More than 20%	10-20%	Less than 10%			Less than 10%	10-20%	More than 20%	
Food	2 (29)	0 (0)	0 (0)	2 (29)	3 (43)	2 (29)	1 (14)	1 (14)	0 (0)	7
Textile	5 (38)	1 (8)	1 (8)	3 (23)	3 (23)	5 (38)	3 (23)	2 (15)	0 (0)	13
Chemical	16 (52)	3 (10)	2 (6)	11 (35)	10 (32)	5 (16)	2 (6)	3 (10)	0 (0)	31
Steel/Non-ferrous metal	8 (32)	2 (8)	1 (4)	5 (20)	14 (56)	3 (12)	1 (4)	1 (4)	1 (4)	25
General machinery	2 (15)	0 (0)	0 (0)	2 (15)	8 (62)	3 (23)	1 (8)	2 (15)	0 (0)	13
Electric/Electronics machinery	25 (61)	7 (17)	5 (12)	13 (32)	8 (20)	8 (20)	5 (12)	3 (7)	0 (0)	41
Transportation machinery	17 (50)	1 (3)	4 (12)	12 (35)	8 (24)	9 (26)	4 (12)	4 (12)	1 (3)	34
Others	15 (42)	3 (8)	3 (8)	9 (25)	11 (31)	10 (28)	4 (11)	4 (11)	2 (6)	36
Manufacturing sector total	90 (45)	17 (9)	16 (8)	57 (29)	65 (33)	45 (23)	21 (11)	20 (10)	4 (2)	200
Trading	14 (34)	2 (5)	2 (5)	10 (24)	20 (49)	7 (17)	3 (7)	2 (5)	2 (5)	41
Retailer	1 (25)	1 (25)	0 (0)	0 (0)	3 (75)	0 (0)	0 (0)	0 (0)	0 (0)	4
Construction/Civil engineering	0 (0)	0 (0)	0 (0)	0 (0)	2 (100)	0 (0)	0 (0)	0 (0)	0 (0)	2
Others	1 (33)	1 (33)	0 (0)	0 (0)	1 (33)	1 (33)	1 (33)	0 (0)	0 (0)	3
Non-Manufacturing sector total	16 (32)	4 (8)	2 (4)	10 (20)	26 (52)	8 (16)	4 (8)	2 (4)	2 (4)	50
Total	106 (42)	21 (8)	18 (7)	67 (27)	91 (36)	53 (21)	25 (10)	22 (9)	6 (2)	250

3.2 Prospective export market in the future (check all that apply)

- The predominant response was "Indonesia" (51%), followed by "Myanmar" (37%), "Vietnam" (33%) and "India" (31%).

No. of firms and (%)

Country/ Region	Indonesia	Myanmar	Vietnam	India	Japan	Cambodia	Malaysia	Laos	China	USA	Middle East	Europe	Philippines	Singapore	Latin America	Oceania	Bangladesh	Africa	Pakistan	Sri Lanka	Others	Total	No. of firms
Manufacture	107 (52)	63 (31)	72 (35)	69 (34)	52 (25)	35 (17)	40 (20)	23 (11)	29 (14)	28 (14)	23 (11)	24 (12)	17 (8)	17 (8)	13 (6)	11 (5)	0 (0)	0 (0)	(0) (0)	0 (0)	8 (4)	631	204
Non-manufacture	26 (44)	33 (56)	16 (27)	13 (22)	6 (10)	17 (29)	9 (15)	13 (22)	5 (8)	0 (0)	4 (7)	0 (0)	5 (8)	1 (2)	1 (2)	0 (0)	4 (7)	3 (5)	(2) (3)	1 (2)	3 (5)	108	44
Total	133 (51)	96 (37)	88 (33)	82 (31)	58 (22)	52 (20)	49 (19)	36 (14)	34 (13)	28 (11)	27 (10)	24 (9)	22 (8)	18 (7)	14 (5)	11 (4)	4 (2)	3 (1)	(2) (1)	1 (0)	11 (4)	779	263
This time	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	-		
Last time	1	3	2	4	5	6	7	9	8	10	12	11	14	12	15	16	-	-	-	-	-		
The time before last	1	5	2	3	4	7	8	10	6	13	9	11	14	11	15	16	-	-	-	-	-		

4. Business base for Thailand-Plus-One policy

The "Thailand-Plus-One" is the movements by the firms based in Thailand which are expanding their manufacturing base etc. toward neighboring countries and adjusting for the best by division of labor and complement.

4.1 Overseas bases outside Thailand relevant to the Thailand-Plus-One policy

- The percentage of firms which responded "Already founded" was 34% and "Considering" was 24%.

No. of firms and (%)

Industry	Already founded		Considering		Not considering		No. of firms
Manufacture	77	(36)	45	(21)	94	(44)	216
Non-Manufacture	18	(28)	23	(35)	24	(37)	65
Total	95	(34)	68	(24)	118	(42)	281

4.2 Countries in which bases already exist or are expected (check all that apply)

- Regarding countries in which operating bases already exist or are expected, Indonesia ranked top with the percentage of 59%, followed by “Vietnam” (39%) and “Myanmar”(30%) .

No. of firms and (%)

Country	Indonesia	Vietnam	Myanmar	Philippines	Cambodia	Bangladesh	Laos	India	Pakistan	Sri Lanka	China	Others	Total	No. of firms
Manufacture	70 (60)	42 (36)	27 (23)	13 (11)	9 (8)	7 (6)	7 (6)	6 (5)	4 (3)	3 (3)	3 (3)	5 (4)	196	117
Non-manufacture	23 (56)	19 (46)	21 (51)	6 (15)	7 (17)	5 (12)	3 (7)	0 (0)	1 (2)	0 (0)	0 (0)	1 (2)	86	41
Total	93 (59)	61 (39)	48 (30)	19 (12)	16 (10)	12 (8)	10 (6)	6 (4)	5 (3)	3 (2)	3 (2)	6 (4)	282	158
Ranking	1	2	3	4	5	6	7	8	9	10	11	12		

5. Challenges for corporate management (check all that apply)

- The predominant response was “Intensified competition with competitors” (62%), followed by “Increase of total labor cost” (56%) and “Lack of human resources at manager-level” (54%).

No. of firms and (%)

Previous time	This time	Challenges for corporate management	Manufacture		Non-manufacture		Grand total	
1	1	Intensified competition with competitors	139	(60)	94	(64)	233	(62)
2	2	Increase of total labor cost	149	(65)	64	(44)	213	(56)
3	3	Lack of human resources at manager-level	126	(55)	78	(53)	204	(54)
4	4	Decreased selling price (price war)	134	(58)	47	(32)	181	(48)
7	5	Job hopping of employee	62	(27)	60	(41)	122	(32)
		Total	932		502		1,434	
		No. of firms	231		147		378	(100)

(Note) Ranks up to top 5

6. Requests to the Thai government (check all that apply)

No. of firms and (%)

Ranking: Previous time	Ranking: This time	Requests to the Thai government	Manufacture		Non-manufacture		Grand total	
1	1	Development and proper implementation of customs-related system	128	(56)	60	(41)	188	(50)
2	2	Stabilization of political/ security situation	89	(39)	47	(32)	136	(36)
3	3	Improvement of education/ human resources development	81	(36)	47	(32)	128	(34)
4	4	Development of infrastructure in Bangkok metropolis areas	66	(29)	45	(31)	111	(30)
5	5	Relaxation of the Foreign Business Act	46	(20)	64	(44)	110	(29)
-	6	Stability of foreign exchange rate	85	(37)	23	(16)	108	(29)
7	7	Work permit/ visa-related issues	39	(17)	52	(36)	91	(24)
6	8	Improvement of tax-related system	51	(22)	35	(24)	86	(23)
8	9	Prevention of labor disputes	70	(31)	7	(5)	77	(21)
-	10	Steady implementation of flood prevention measures	59	(26)	17	(12)	76	(20)
9	11	Broad-based infrastructure development linking Thailand with neighboring countries	39	(17)	23	(16)	62	(17)
11	12	Measures to prevent expansion of the new-type or bird influenza	8	(4)	7	(5)	15	(4)
10	13	Promotion of regional operating headquarters function (e.g. ROH, IPC)	9	(4)	6	(4)	15	(4)
-	-	Others	12	(5)	1	(1)	13	(3)
		Total	782		434		1,216	
		No. of firms	228		146		374	(100)

- The predominant response was “Development and proper implementation of customs-related system” (50%), followed by “Stabilization of political/security situation” (36%) and “Improvement of education/human resources development” (34%).
- In the manufacturing sector, “Stability of foreign exchange rate” (37%), “Prevention of labor disputes” (31%) and “Steady implementation of flood prevention measures” (26%) were high. In the non-manufacturing sector, “Relaxation of the Foreign Business Act” (44%) and “Work permit/ visa-related issues” (36%) were high.

7. Measures for mid- and long-term growth of Thailand (check all that apply)

7.1 Measures for mid- and long-term growth

- The predominant response was "Infrastructure improvement (Roads)" (62%), followed by "Improvement of connectivity with neighboring countries" (38%), "Infrastructure improvement (Railways)" (37%), "Implement of Education"(33%), and "Utilization of foreign workers"(31%).

No. of firms and (%)

Ranking	The actions required for continuation of the mid- and long-term growth	Manufacture		Non-manufacture		Total	
1	Infrastructure improvement (Roads)	150	(66)	82	(56)	232	(62)
2	Improvement of connectivity with neighboring countries	80	(35)	63	(43)	143	(38)
3	Infrastructure improvement (Railways)	81	(35)	58	(39)	139	(37)
4	Implement of education	81	(35)	44	(30)	125	(33)
5	Utilization of foreign workers	71	(31)	45	(31)	116	(31)
6	Energy efficiency	67	(29)	30	(20)	97	(26)
7	Infrastructure improvement (Harbors)	56	(24)	37	(25)	93	(25)
8	Business development in neighboring countries	39	(17)	43	(29)	82	(22)
9	Energy security	59	(26)	16	(11)	75	(20)
10	Improvement of productivity by investment in automation	52	(23)	17	(12)	69	(18)
11	Development of consumer market by expansion of social security systems	27	(12)	25	(17)	52	(14)
12	Measures against declining birth rates	22	(10)	23	(16)	45	(12)
13	Expansion of investment in research & development	31	(14)	14	(10)	45	(12)
-	Others	5	(2)	2	(1)	7	(2)
	Total	821		499		1,320	
	No. of firms	229		147		376	(100)

7.2 The categories of education required to emphasize

- The predominant response was "Higher education (Science＆engineering)" (36%), followed by "Higher education (Language)"(33%), "Primary/ secondary education (Science ＆mathematics)" (28%).

No. of firms and (%)

Ranking	The education required to emphasize	Manufacture		Non-manufacture		Total	
1	Higher education (Science & engineering)	93	(42)	38	(26)	131	(36)
2	Higher education (Language)	77	(34)	45	(31)	122	(33)
3	Primary/secondary education (Science & mathematics)	71	(32)	33	(23)	104	(28)
4	Primary/secondary education (Languages)	63	(28)	41	(28)	104	(28)
5	Primary/secondary education (Civic social studies, ethics, etc.)	63	(28)	38	(26)	101	(27)
6	Vocational training (Machine work & metal work)	81	(36)	18	(13)	99	(27)
7	Vocational training (Electrical & chemistry)	66	(29)	23	(16)	89	(24)
8	Higher education (Legal & economics)	32	(14)	38	(26)	70	(19)
9	Vocational training (Office work, accounting etc.)	39	(17)	31	(22)	70	(19)
10	Internships	18	(8)	18	(13)	36	(10)
11	Others	10	(4)	4	(3)	14	(4)
	Total	613		327		940	
	No. of firms	224		144		368	(100)

- In the manufacturing sector, "Vocational training (Machine work＆metal work)" (36%) was also high. In the non-manufacturing sector, "Primary/ secondary education (Language)" (28%) was also high.

7.3 Advantages of Thai employees

No. of firms and (%)

Ranking	The advantage of Thai employees	Manufacture		Non-manufacture		Total	
1	Attitude toward work	79	(37)	63	(44)	142	(40)
2	On-site business sense	59	(28)	35	(25)	94	(26)
3	Basic knowledge	56	(26)	34	(24)	90	(25)
4	Language ability	41	(19)	41	(29)	82	(23)
5	Patience	49	(23)	33	(23)	82	(23)
6	Basic skills	46	(22)	13	(9)	59	(17)
7	Communication ability	31	(15)	28	(20)	59	(17)
8	Technical knowledge	35	(16)	19	(13)	54	(15)
9	Others	26	(12)	11	(8)	37	(10)
10	Technical skills	26	(12)	7	(5)	33	(9)
11	Logical thinking	13	(6)	7	(5)	20	(6)
12	Ability to prepare proposals	14	(7)	6	(4)	20	(6)
	Total	475		297		772	
	No. of firms	213		142		355	(100)

- The predominant response was "Attitude toward work" (40%), followed by "On-site business sense" (26%), "Basic Knowledge" (25%).

8. Regional Comprehensive Economic Partnership (RCEP) (check all that apply)

Regional Comprehensive Economic Partnership (RCEP) is a wide ranging economic cooperation by 10 ASEAN countries, 6 FTA partner countries (Japan, China, Korea, India, Australia, and New Zealand), and its establishment was declared by ministers of the member countries at the ASEAN summit in November 2012. Negotiation has already started in May 2013, aiming at a conclusion by the end of 2015.

8.1 Expectation for implementation of the items under consideration by RCEP

No. of firms and (%)

Ranking	Expectation for implementation of the items under consideration by RCEP	Manufacture		Non-manufacture		Total	
1	Improvement of various systems (Transparency of customs clearance, relaxation of issue of work permits/visa, etc.)	106	(50)	70	(52)	176	(51)
2	High level of liberalization in terms of item numbers and trade volume	87	(41)	40	(30)	127	(37)
3	Relaxation or elimination of non-tariff barriers	83	(39)	36	(27)	119	(34)
4	Standardization of the certificate of origin in 16 countries	79	(37)	33	(25)	112	(32)
5	Introduction of user-friendly rules of origin	81	(38)	29	(22)	110	(32)
6	Relaxation or elimination of regulation for influx of foreign capitals	41	(19)	68	(51)	109	(31)
7	Participation by all the relevant countries, including ASEAN and Japan, China, South Korea, India, Australia and New Zealand	52	(24)	23	(17)	75	(22)
8	Relaxation or elimination of investment restrictions	42	(20)	32	(24)	74	(21)
9	Relaxation or elimination of service trade barriers	31	(15)	36	(27)	67	(19)
10	Improvement of intellectual property rights	22	(10)	17	(13)	39	(11)
11	Accumulation of added value resulting from the rules of origin	18	(8)	5	(4)	23	(7)
12	Economic and technical cooperation for reducing any development gap among member countries	11	(5)	3	(2)	14	(4)
-	Others	2	(1)	0	(0)	2	(1)
	Total	655		392		1,047	
	No. of firms	213		134		347	(100)

- As to expectation for implementation of the items under consideration by the RCEP, the predominant response was “Improvement of various systems (Transparency of customs clearance, relaxation of issue of work permits/visa, etc.)” (51%), followed by “High level of liberalization in terms of item numbers and trade volume” (37%) and “Relaxation or elimination of non-tariff barriers” (34%).
- In the manufacturing sector, “Introduction of user-friendly rules of origin” (38%) and “Standardization of the certificate of origin in 16 countries” (37%) were high.
- In the non-manufacturing sector, “Relaxation or elimination of influx of foreign capitals” (51%) and “Relaxation of service trade barriers” (27%) were high.

8.2 The countries with which firms desire to expand business under RCEP

						No. of firms and (%)	
Ranking	The countries with which firms desire to expand business under RCEP	Manufacture		Non–manufacture		Total	
1	Indonesia	87	(40)	50	(38)	137	(40)
2	Myanmar	64	(30)	71	(55)	135	(39)
2	Vietnam	85	(39)	50	(38)	135	(39)
4	India	79	(37)	24	(18)	103	(30)
5	Japan	57	(26)	37	(28)	94	(27)
6	Cambodia	43	(20)	44	(34)	87	(25)
7	Malaysia	45	(21)	27	(21)	72	(21)
8	Laos	30	(14)	41	(32)	71	(21)
9	China	51	(24)	20	(15)	71	(21)
10	Philippines	28	(13)	18	(14)	46	(13)
11	Singapore	15	(7)	13	(10)	28	(8)
12	Australia	22	(10)	2	(2)	24	(7)
13	Korea	12	(6)	7	(5)	19	(5)
14	New Zealand	8	(4)	1	(1)	9	(3)
–	None	22	(10)	7	(5)	29	(8)
	Total	648		412		1,060	
	No. of firms	216		130		346	(100)

- The predominant response was “Indonesia” (40%), followed by “Myanmar” (39%), “Vietnam” (39%) and “India” (30%).
- In the manufacturing sector, the predominant response was “ “Indonesia” (40%), followed by “Vietnam”(39%).
- In the non-manufacturing sector, the predominant response was “Myanmar” (55%), followed by “Indonesia” (38%) and “Vietnam” (38%).

9. ASEAN Economic Community (AEC) (check all that apply)

No. of firms and (%)

Ranking	The expectation for implementation of the AEC items	Manufacture		Non-manufacture		Total	
1	Simplified customs clearance	145	(69)	72	(55)	217	(63)
2	Elimination of import tariffs in CLMV	84	(40)	50	(38)	134	(39)
3	Free movement of skilled labor	73	(35)	38	(29)	111	(32)
4	Infrastructure development in CLMV	42	(20)	35	(27)	77	(23)
5	Introduction of common systems of standardizations and certifications in ASEAN	48	(23)	24	(18)	72	(21)
6	Relaxation of capital control in the service sector	16	(8)	51	(39)	67	(20)
7	Further deregulation of capital transfer	26	(12)	29	(22)	55	(16)
8	Deregulation of investment in manufacturing, mining, agriculture and forestry industries	33	(16)	10	(8)	43	(13)
9	Improvement of intellectual property rights-related system	23	(11)	15	(11)	38	(11)
10	Introduction of self-verification system in relation to ASEAN Free Trade Agreement(AFTA)	28	(13)	7	(5)	35	(10)
11	Harmonized policy within the region (e.g. fair competition, consumer protection)	10	(5)	7	(5)	17	(5)
12	Others	1	(0)	0	(0)	1	(0)
	Total	529		338		867	
	No. of firms	211		131		342	(100)

- As for the expectation for implementation of the AEC items, the predominant response was "Simplified customs clearance" (63%), followed by "Elimination of import tariffs in CLMV (Cambodia, Laos, Myanmar, and Vietnam)" (39 %), "Free movement of skilled labor" (32 %) and "Infrastructure development in CLMV" (23%).
- In the manufacturing sector, "Simplified customs clearance" (69%) and "Elimination of import tariffs in CLMV" (40%) were also high. In the non-manufacturing sector, "Simplified customs clearance" (55%) and "Relaxation of capital control in the service sector" (39%) were also high.

For more information of the survey, visit the website:

http://www.jetro.go.jp/thailand/e_survey/pdf/jccspr13eng.pdf

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