Survey of Business Sentiment on Japanese Corporations in Thailand for the autumn of 2008

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JCC Economic Survey Team

Survey Period

Questionnaire requesting date October 30, 2008

Questionnaire response deadline December 1, 2008

Questionnaires response

This questionnaire was handed out to 1,285 JCC member corporations.
(Thirteen governmental organizations are excluded.)

No. of firms responding this questionnaire
341 corporations

The percentage of response
26.5 percent

No. of firms

	Industry	No.
Manufacture	Food	16
	Textile	15
	Chemical	26
	Steel/ non-ferrous metal	29
	General machinery	16
	Electric/ electronics machinery	43
	Transportation machinery	47
	Others	32
	Manufacturing sector total	224
Non-manufacture	Trading	28
	Retailer	12
	Finance/ insurance/ securities	10
	Construction/ civil engineering	22
	Transportation/ communication	19
	Others	26
	Non- manufacturing sector total	117
Total		341

Note

Since the number of corporations responding this questionnaire is not sufficient, it may not be advisable to judge the situation only by seeing the percentage.

Report of response to this questionnaire

Please refer to the following pages.

1. BUSINESS SENTIMENT

(1) Summary

From the first half of 2008 to the first half of 2009, the target period of this survey, business sentiment is anticipated to be continuously "improving" until the first half of 2008. However, business it turned to be "deteriorating" in the second half of 2008, and continuously "deteriorating" in the first half of 2009. (Table 1-1)

(Table 1-1) Business Sentiment **Unit: percent**

	Past Surveys										Survey this time		
	Result								Forecast		Result	Forecast	
	04F	04S	05F	05S	06F	06S	07F	07S	08F	08S	08F	08S	09F
Improving	70	64	56	58	49	37	39	49	49	44	57	20	12
No change	17	17	20	18	27	25	30	27	28	34	23	20	17
Deteriorating	13	19	24	24	24	38	31	24	23	21	20	59	71
(Ref) DI	57	45	32	34	25	-1	8	25	26	23	37	-39	-59

(Note) 1. DI = "improving" – "deteriorating"
2. Since the fraction of percentage is rounded off, the totaling may not be equal to 100 percent. This also applies to the tables below.

(Note) To determine whether business performance are "improving" or "deteriorating", business performance is to be compared between in this term and in the previous term. If DI, which is the balance between those two figures, is above the neutral level, it signifies that business performance is improving even though the indicator declined from the previous term.

(2) The first half of 2008 (January – June)

The percentage of the firms reporting that business sentiment was "improving" increased to 57 percent from the previous term (49 percent), whereas that reporting "deteriorating" was decreasing to 20 percent from the previous term (24 percent). As a result, diffusion Index (DI), which is the balance between "improving" and "deteriorating", was calculated at +37 percent, plus 12 points from the previous term (+25 percent). The overall DI has shown a positive figure since the second last survey. (Table 1-1)

In the manufacturing sector, DIs in food and general machinery turned to be "improving" as well as the improvement seed in steel/ non-ferrous metal and textile increased. As a result, DIs in the manufacturing sector were significantly increasing to +38 from the previous term (+28). For non-manufacturing industries, DIs in finance/ insurance/ securities and transportation/ communication turned to be improving as well as the improvement seed in retailer and trading increased. As a result, DIs in the non-manufacturing sector also turned to be improving to +35 from the previous term (+19). (Table 1-2)

(3) The second half of 2008 (June – December)

The percentage of the firms reporting that business performance are "improving" decreased to 20 percent from the previous term (57 percent), whereas the percentage of the firms reporting "deteriorating" increased to 59 percent from the previous term (20 percent). As a result, DI of -39 fell by 76 points from the previous term (+37). (Table 1-1)

In the manufacturing sector, DIs in all industries turned to be "deteriorating", and then overall DI of -44 was lower than the previous period (+38). In the non-manufacturing sector, DIs in almost all industries turned to be "deteriorating", and then overall DI of -28 was also lower than the previous period (+35). (Table 1-2)

(4) The first half of 2009 (January – June)

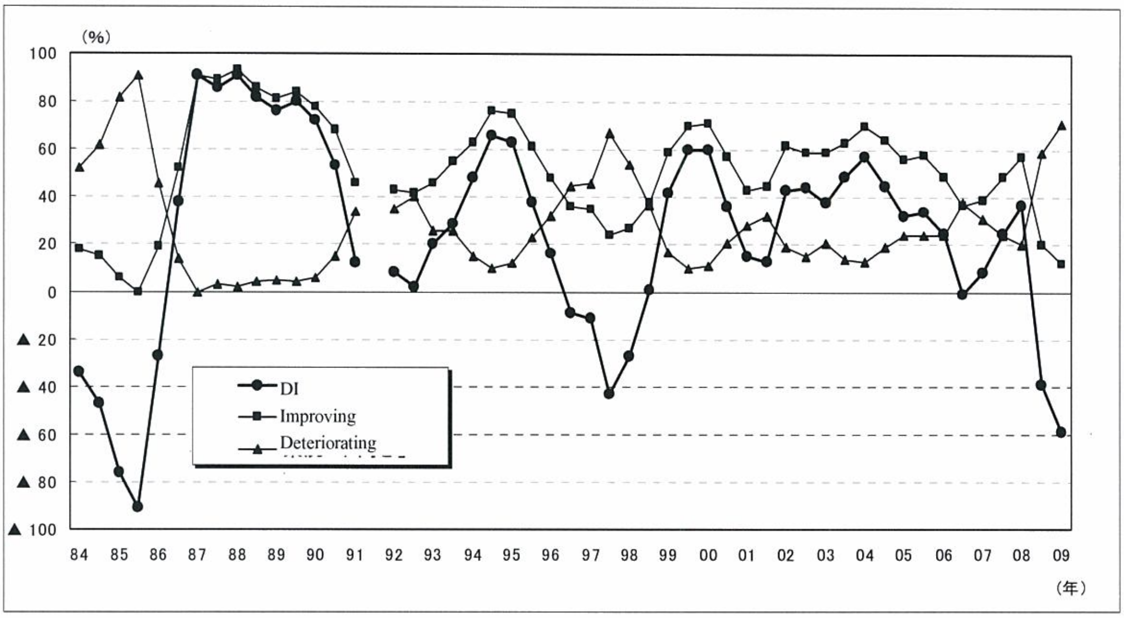
The percentage of the firms reporting that business performance was "improving" was decreasing by 8 points to 12 percent from the previous term (20 percent), whereas the percentage of the firms reporting "deteriorating" rose by 12 points to 71 percent from the previous term (59 percent). As a result, DI of -59 was lower than the previous term (-39) with anticipation of decreasing improvement seed. (Table 1-1)

In the manufacturing sector, decreased deterioration in chemical and electric/ electronics machinery was offset by increased deterioration in the almost other industries. As a result, DI in the manufacturing sector decreased to -60 from the previous period (-44). In the non-manufacturing sector, deterioration is anticipated in all industries, most of which have been deteriorated since the previous term. As a result, DI in the non-manufacturing sector fell to -58 from the previous period (-28). (Table 1-2)

(Table 1-2) DI by the industry ("improving" – "deteriorating")

		Past Surveys								Survey this time		
		Result						Forecast		Result	Forecast	
	Industry	05F	05S	06F	06S	07F	07S	08F	08S	08F	08S	09F
Manufacture	Food	-20	26	0	-20	-37	-15	23	15	13	-6	-19
	Textile	9	27	0	-8	-25	15	0	23	33	-7	-33
	Chemical	18	28	18	16	11	48	48	44	44	-73	-60
	Steel/ non-ferrous metal	22	-32	23	19	13	21	45	-3	58	-55	-62
	General machinery	-7	46	13	-20	0	-15	0	0	25	-32	-53
	Electric/ electronics machinery	18	24	3	-24	-3	11	-26	-9	18	-63	-62
	Transportation machinery	73	49	23	6	24	53	50	42	55	-39	-77
	Others	47	35	40	16	15	41	17	9	39	-39	-67
	Manufacturing sector total	31	27	19	2	6	28	25	17	38	-44	-60
Non-manufacture	Trading	32	61	60	-22	5	28	31	24	68	-47	-53
	Retailer	43	59	-38	-30	7	60	73	82	75	-46	-83
	Finance/ insurance/ securities	46	29	50	25	33	0	33	78	10	-20	-60
	Construction/ civil engineering	41	66	48	0	-5	11	42	5	4	-29	-68
	Transportation/ communication	9	-5	9	-16	-5	0	-12	19	32	-32	-78
	Others	33	50	24	18	25	18	29	32	16	0	-24
	Non-manufacturing sector total	34	45	35	-5	9	19	30	32	35	-28	-58
Total		32	34	25	-1	8	25	26	23	37	-39	-59

(Figure 1) Trend survey of diffusion index (DI) in the Japanese corporations.



(Note)
1. Diffusion Index (DI) = improving - deteriorating
2. Although DI did not announced at the beginning, the announcement of DI was started after spring of 1996.
3. No survey was performed in the second half of 1991.

2. SALES

The percentage of the firms reporting an “increase” in their total sales in 2008 rose by 3 points to 64 percent from the previous year (61 percent). The percentage of the firms reporting a “more than 20% increase” in their total sales rose by 1 point to 15 percent from the previous year (14 percent). (Table 2-1 and Table 2-2)

Regarding sales forecast for 2009, the firms anticipating an “increase” in their total sales fell by 36 points to 28 percent from the previous period, and the percentage of the firms anticipating a “more than 20% increase” in their total sales fell by 9 points, from 15 percent in the previous period to 6 percent. (Table 2-1 and Table 2-3).

(Table 2-1) Change in total sales **Unit: percent**

	Past Surveys									Survey this time	
	Result								Forecast	Forecast	
Year	00	01	02	03	04	05	06	07	08	08	09
Sales Increase	85	64	74	80	82	73	65	61	69	64	28
Sales increase more than 20%	44	20	32	31	44	27	17	14	9	15	6

(Note) Years are based on the financial year of each corporation.

(Table 2-2) Sales in 2008 (from the previous year)

Unit: No. of firms and (%)

	Industry	Increase								No Change		Decrease							
				More than 20%		10-20%		Less than 10%						Less than 10%		10-20%		More than 20%	
Manufacture	Food	12	(75)	3	(19)	2	(13)	7	(44)	2	(13)	2	(13)	1	(6)	1	(6)	0	(0)
	Textile	7	(50)	1	(7)	3	(21)	3	(21)	2	(14)	5	(36)	4	(29)	0	(0)	1	(7)
	Chemical	18	(72)	2	(8)	10	(40)	6	(24)	2	(8)	5	(20)	4	(16)	1	(4)	0	(0)
	Steel/non-ferrous metal	17	(65)	6	(23)	5	(19)	6	(23)	3	(12)	6	(23)	3	(12)	2	(8)	1	(4)
	General machinery	11	(69)	3	(19)	5	(31)	3	(19)	1	(6)	4	(25)	0	(0)	3	(19)	1	(6)
	Electric/electronics machinery	23	(56)	1	(2)	12	(29)	10	(24)	1	(2)	17	(41)	10	(24)	7	(17)	0	(0)
	Transportation machinery	32	(71)	10	(22)	12	(27)	10	(22)	7	(16)	6	(13)	3	(7)	3	(7)	0	(0)
	Others	19	(61)	3	(10)	6	(19)	10	(32)	4	(13)	8	(26)	2	(6)	4	(13)	2	(6)
	Manufacturing sector total	139	(65)	29	(14)	55	(26)	55	(26)	22	(10)	53	(25)	27	(13)	21	(10)	5	(2)
Non-manufacture	Trading	16	(59)	5	(19)	6	(22)	5	(19)	7	(26)	4	(15)	1	(4)	2	(7)	1	(4)
	Retailer	8	(67)	0	(0)	4	(33)	4	(33)	1	(8)	3	(25)	0	(0)	1	(8)	2	(17)
	Finance/insurance/securities	9	(100)	4	(44)	2	(22)	3	(33)	0	(0)	0	(0)	0	(0)	0	(0)	0	(0)
	Construction/civil engineering	10	(45)	4	(18)	3	(14)	3	(14)	3	(14)	9	(41)	1	(5)	4	(18)	4	(18)
	Transportation/communication	12	(63)	5	(26)	3	(16)	4	(21)	2	(11)	5	(26)	4	(21)	1	(5)	0	(0)
	Others	15	(63)	2	(8)	9	(38)	4	(17)	3	(13)	6	(25)	3	(13)	2	(8)	1	(4)
	Non-manufacturing sector total	70	(62)	20	(18)	27	(24)	23	(20)	16	(14)	27	(24)	9	(8)	10	(9)	8	(7)
Total		209	(64)	49	(15)	82	(25)	78	(24)	38	(12)	80	(24)	36	(11)	31	(9)	13	(4)

(Table 2-3) Sales forecast in 2009 (from the previous year)

Unit: No. of firms and (%)

	Industry	Increase				No change	Decrease			
			More than 20%	10-20%	Less than 10%			Less than 10%	10-20%	More than 20%
Manufacture	Food	10 (63)	3 (19)	4 (25)	3 (19)	2 (13)	4 (25)	1 (6)	2 (13)	1 (6)
	Textile	4 (29)	1 (7)	1 (7)	2 (14)	2 (14)	8 (57)	3 (21)	4 (29)	1 (7)
	Chemical	7 (27)	0 (0)	3 (12)	4 (15)	3 (12)	16 (62)	14 (54)	0 (0)	2 (8)
	Steel/non-ferrous metal	4 (16)	1 (4)	1 (4)	2 (8)	5 (20)	16 (64)	8 (32)	4 (16)	4 (16)
	General machinery	5 (31)	1 (6)	1 (6)	3 (19)	1 (6)	10 (63)	5 (31)	1 (6)	4 (25)
	Electric/electronics machinery	9 (22)	0 (0)	2 (5)	7 (17)	7 (17)	25 (61)	8 (20)	11 (27)	6 (15)
	Transportation machinery	7 (15)	3 (7)	2 (4)	2 (4)	6 (13)	33 (72)	9 (20)	16 (35)	8 (17)
	Others	6 (19)	1 (3)	1 (3)	4 (13)	7 (23)	18 (58)	2 (6)	10 (32)	6 (19)
	Manufacturing sector total	52 (24)	10 (5)	15 (7)	27 (13)	33 (15)	130 (60)	50 (23)	48 (22)	32 (15)
Non-manufacture	Trading	7 (25)	1 (4)	2 (7)	4 (14)	8 (29)	13 (46)	9 (32)	3 (11)	1 (4)
	Retailer	7 (58)	1 (8)	2 (17)	4 (33)	1 (8)	4 (33)	1 (8)	1 (8)	2 (17)
	Finance/insurance/securities	9 (100)	2 (22)	1 (11)	6 (67)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)
	Construction/civil engineering	4 (19)	2 (10)	0 (0)	2 (10)	4 (19)	13 (62)	4 (19)	4 (19)	5 (24)
	Transportation/communication	4 (21)	1 (5)	3 (16)	0 (0)	3 (16)	12 (63)	6 (32)	4 (21)	2 (11)
	Others	9 (39)	1 (4)	2 (9)	6 (26)	3 (13)	11 (48)	5 (22)	5 (22)	1 (4)
	Non-manufacturing sector total	40 (36)	8 (7)	10 (9)	22 (20)	19 (17)	53 (47)	25 (22)	17 (15)	11 (10)
	Total	92 (28)	18 (6)	25 (8)	49 (15)	52 (16)	183 (56)	75 (23)	65 (20)	43 (13)

3. NET PROFIT/LOSS

The firms reporting the "profit" in their 2008 before tax profit/loss accounted for 82 percent. The firms reporting an "increase" in their net profit (including the case that their loss will diminish or vanish) accounted for 39 percent, whereas those reporting a "decrease" in their net profit accounted for 39 percent. (Table 3-1)

The percentage of the firms anticipating the "profit" in their 2009 before tax profit/loss accounted for 72 percent The firms anticipating an "increase" in their net profit accounted for 15 percent, whereas those anticipating a "decrease" in their net profit accounted for 64 percent. Most of the firms anticipated "profit" in 2009, although the number of the firms anticipating increasing profit decreased. (Table 3-2)

(Table 3-1) Result of before Tax Profit/Loss in 2008 (from the previous year)

Unit: No. of firms and (%)

	Industry	Profit		Balance		Loss		Total	Profit increase		No change		Profit decrease	
Manufacture	Food	10	(63)	0	(0)	6	(38)	16	6	(38)	3	(19)	7	(44)
	Textile	10	(71)	2	(14)	2	(14)	14	8	(57)	3	(21)	3	(21)
	Chemical	22	(85)	3	(12)	1	(4)	26	10	(38)	4	(15)	12	(46)
	Steel/non-ferrous metal	24	(92)	1	(4)	1	(4)	26	11	(42)	9	(35)	6	(23)
	General machinery	15	(94)	1	(6)	0	(0)	16	7	(44)	2	(13)	7	(44)
	Electric/electronics machinery	38	(93)	2	(5)	1	(2)	41	11	(27)	13	(32)	17	(41)
	Transportation machinery	39	(83)	3	(6)	5	(11)	47	16	(34)	11	(23)	20	(43)
	Others	25	(81)	0	(0)	6	(19)	31	15	(48)	4	(13)	12	(39)
	Manufacturing sector total	183	(84)	12	(6)	22	(10)	217	84	(39)	49	(23)	84	(39)
Non-manufacture	Trading	22	(79)	2	(7)	4	(14)	28	12	(43)	8	(29)	8	(29)
	Retailer	9	(75)	2	(17)	1	(8)	12	4	(33)	2	(17)	6	(50)
	Finance/insurance/securities	9	(90)	0	(0)	1	(10)	10	2	(20)	5	(50)	3	(30)
	Construction/civil engineering	16	(73)	2	(9)	4	(18)	22	8	(36)	3	(14)	11	(50)
	Transportation/communication	16	(89)	1	(6)	1	(6)	18	9	(50)	1	(6)	8	(44)
	Others	18	(75)	1	(4)	5	(21)	24	9	(38)	5	(21)	10	(42)
	Non-manufacturing sector total	90	(79)	8	(7)	16	(14)	114	44	(39)	24	(21)	46	(40)
	Total	273	(82)	20	(6)	38	(11)	331	128	(39)	73	(22)	130	(39)

(Note)
1. Profit increase indicates either of expanding profit, turning to the black, diminishing loss, or moving up to the break-even-point.
2. No change indicates either of remaining at the same level as before regardless of the black, the break-even-point, or the red.
3. Profit decrease indicates either of diminishing profit, falling into the red, expanding loss, or moving down to the break-even-point.

(Table 3-2) Forecast for before Tax Profit/Loss in 2009(from the previous year)

Unit: No. of firms and (%)

	Industry	Profit		Balance		Loss		Total	Profit increase		No change		Profit decrease	
Manufacture	Food	11	(69)	3	(19)	2	(13)	16	5	(31)	3	(19)	8	(50)
	Textile	11	(79)	1	(7)	2	(14)	14	5	(36)	2	(14)	7	(50)
	Chemical	20	(77)	6	(23)	0	(0)	26	3	(12)	5	(19)	18	(69)
	Steel/non-ferrous metal	18	(69)	6	(23)	2	(8)	26	3	(12)	4	(15)	19	(73)
	General machinery	12	(75)	3	(19)	1	(6)	16	0	(0)	6	(38)	10	(63)
	Electric/electronics machinery	36	(88)	4	(10)	1	(2)	41	3	(7)	11	(27)	27	(66)
	Transportation machinery	35	(76)	9	(20)	2	(4)	46	5	(11)	4	(9)	37	(80)
	Others	15	(47)	10	(31)	7	(22)	32	6	(19)	4	(13)	22	(69)
	Manufacturing sector total	158	(73)	42	(19)	17	(8)	217	30	(14)	39	(18)	148	(68)
Non-manufacture	Trading	19	(68)	6	(21)	3	(11)	28	5	(18)	7	(25)	16	(57)
	Retailer	8	(67)	3	(25)	1	(8)	12	1	(8)	4	(33)	7	(58)
	Finance/insurance/securities	8	(89)	1	(11)	0	(0)	9	2	(22)	4	(44)	3	(33)
	Construction/civil engineering	14	(64)	4	(18)	4	(18)	22	6	(27)	3	(14)	13	(59)
	Transportation/communication	13	(72)	2	(11)	3	(17)	18	2	(11)	4	(22)	12	(67)
	Others	18	(75)	2	(8)	4	(17)	24	2	(8)	11	(46)	11	(46)
	Non-manufacturing sector total	80	(71)	18	(16)	15	(13)	113	18	(16)	33	(29)	62	(55)
	Total	238	(72)	60	(18)	32	(10)	330	48	(15)	72	(22)	210	(64)

(Note) See table 3-1.

4. CAPITAL INVESTMENT (MANUFACTURING SECTOR)

The amount of planned capital investment (in the manufacturing sector) in 2009 plans to decrease by 16.0 percent from 2008. In terms of the number of firms, reporting "increase" (23) is less than "decrease" (71). (The total number of responding firms is 186.) The planned capital investment was decreased in all industries. (Table 4-1)

The predominant reason for capital investment was "replacement of equipment" in both 2008 and 2009, while the percentage of responding "streamlining" increased in 2009. (Table 4-2 and Table 4-3)

(Table 4-1) Actual capital investment in 2008 and planned capital investment in 2009 (manufacturing sector)

Unit: million baht and (%)

Industry	2008	2009		No. of firms								
	Amount	Amount	Increase %	Increase		No change		Decrease		Undecided		Total
Food	2,513	2,313	-8.0	3	(19)	6	(38)	4	(25)	3	(19)	16
Textile	2,045	1,579	-22.8	2	(15)	8	(62)	3	(23)		(0)	13
Chemical	2,002	1,999	-0.1	2	(8)	10	(42)	9	(38)	3	(13)	24
Steel/Non-ferrous metal	1,950	1,577	-19.1	2	(8)	14	(54)	5	(19)	5	(19)	26
General machinery	369	283	-23.4	2	(14)	6	(43)	5	(36)	1	(7)	14
Electric/Electronics machinery	12,384	11,044	-10.8	3	(8)	16	(42)	13	(34)	6	(16)	38
Transportation machinery	13,894	10,691	-23.1	5	(12)	11	(26)	22	(51)	5	(12)	43
Others	5,123	4,341	-15.3	4	(13)	14	(45)	10	(32)	3	(10)	31
Manufacturing sector total	40,279	33,826	-16.0	23	(11)	85	(41)	71	(35)	26	(13)	205

(Note) The figures in the above table show just totaling the data from corporations responding the questionnaire.
The capital-investment amount in the above does not equal to that of the Japanese corporations as a whole.

(Table 4-2) Details on actual capital investment in 2008 (check all that apply)

Unit: No. of firms and (%)

	Industry	New		Expansion		Replacement		Streamlining		Others		Total	Respond
Manufacture	Food	4	(18)	4	(18)	11	(50)	3	(14)	0	(0)	22	16
	Textile	4	(24)	4	(24)	6	(35)	1	(6)	2	(12)	17	13
	Chemical	4	(11)	17	(45)	13	(34)	3	(8)	1	(3)	38	26
	Steel/Non-ferrous metal	6	(18)	4	(12)	16	(47)	6	(18)	2	(6)	34	26
	General machinery	4	(24)	4	(24)	7	(41)	1	(6)	1	(6)	17	11
	Electric/Electronics machinery	11	(15)	20	(27)	25	(33)	17	(23)	2	(3)	75	41
	Transportation machinery	22	(30)	27	(36)	15	(20)	10	(14)	0	(0)	74	46
	Others	9	(18)	12	(24)	18	(35)	11	(22)	1	(2)	51	28
	Manufacturing sector total	64	(20)	92	(28)	111	(34)	52	(16)	9	(3)	328	207

(Table 4-3) Details on planned capital investment in 2009 (check all that apply)

Unit: No. of firms and (%)

	Industry	New		Expansion		Replacement		Streamlining		Others		Total	Respond
Manufacture	Food	3	(16)	4	(21)	9	(47)	3	(16)	0	(0)	19	14
	Textile	2	(11)	4	(21)	9	(47)	3	(16)	1	(5)	19	14
	Chemical	8	(21)	6	(16)	16	(42)	7	(18)	1	(3)	38	26
	Steel/Non-ferrous metal	5	(15)	3	(9)	16	(47)	7	(21)	3	(9)	34	25
	General machinery	3	(21)	2	(14)	5	(36)	4	(29)	0	(0)	14	11
	Electric/Electronics machinery	12	(18)	12	(18)	24	(36)	15	(23)	3	(5)	66	39
	Transportation machinery	22	(33)	11	(16)	17	(25)	16	(24)	1	(1)	67	43
	Others	4	(9)	10	(23)	14	(33)	14	(33)	1	(2)	43	26
	Manufacturing sector total	59	(20)	52	(17)	110	(37)	69	(23)	10	(3)	300	198

5. PROBLEMS WITH CORPORATE MANAGEMENT

Regarding problems with corporate management (check 4 that apply), the predominant response was "excessive competition with competitors (2nd rank in the previous survey)" (63 percent), followed by "foreign exchange fluctuation (4th rank in the previous survey)" (49 percent) and "hike in material prices (1st rank in the previous survey)" (39 percent). It was confirmed that labor-related problems are longstanding, including "lack of human resources" which ranked the forth (39 percent) and "labor-related problems (wage)" which ranked the sixth (17 percent). (Table 5)

(Table 5) Problems with corporate management (check 4 that apply)

Unit: No. of firms and (%)

			Manufacture									Non-manufacture							
Previous time	This time		Food	Textile	Chemical	Steel/non-ferrous metals	General machinery	Electric/electronic machinery	Transportation machinery	Others	Total	Trading	Retailer	Finance/insurance/securities	Construction/civil engineering	Transportation/communication	Others	Total	Grand total
2	1	Excessive competition with competitors	8	7	18	19	12	25	25	16	130	16	8	8	20	16	14	82	212 (63)
4	2	Foreign exchange fluctuation	4	7	17	11	12	27	27	17	122	22	6	0	1	3	11	43	165 (49)
1	3	Hike in material prices	14	9	13	19	7	26	31	19	138	6	7	0	5	3	5	26	164 (49)
3	4	Lack of human resources	8	5	9	13	6	17	21	10	89	10	6	4	5	6	12	43	132 (39)
6	5	Quality management	4	7	6	5	6	5	10	8	51	2	0	1	1	3	3	10	61 (18)
5	6	Labor-related problems (wage)	2	2	4	4	2	10	13	8	45	1	1	1	3	4	2	12	57 (17)
7	7	Job hopping of employee	4	3	5	4	4	8	2	3	33	5	2	2	0	3	5	17	50 (15)
9	8	Difficulty in collecting money from customers	2	0	2	3	2	0	2	2	13	5	1	3	6	0	3	18	31 (9)
9	9	Transportation problems	1	1	1	5	0	5	0	3	16	6	1	2	1	2	2	14	30 (9)
12	10	Excessive employment	0	0	2	2	0	6	7	6	23	0	0	0	4	0	2	6	29 (9)
12	11	Difficulty in procuring parts domestically	1	1	2	2	2	3	6	3	20	1	0	0	2	0	0	3	23 (7)
17	12	Difficulty in obtaining financial support	1	1	1	0	1	0	3	1	8	0	1	1	2	0	1	5	13 (4)
18	13	Excessive capital investment	0	0	2	2	0	0	3	3	10	0	0	0	0	0	0	0	10 (3)
15	13	Problems of partners	1	0	1	0	0	1	2	0	5	1	1	1	0	0	2	5	10 (3)
15	15	Expensive land and tenant	1	1	0	0	0	0	0	2	4	1	2	1	0	1	0	5	9 (3)
-	-	Others	0	2	3	2	0	4	0	2	13	1	1	2	2	0	2	8	21 (6)
Total			51	46	86	91	54	137	152	103	468	77	37	26	52	41	64	172	640
No. of firms			16	15	26	27	16	43	47	32	222	28	11	10	22	18	25	114	336 (100)

6. POTENTIAL FACTORS AFFECTING ON THE THAI ECONOMY

Regarding problems with potential factors affecting on the Thai economy within coming 1-2 years (check all that apply), the predominant response was "long-term retention of political turmoil" (72 percent), followed by "economic stagnation from Japan, US or EU" ($6^{th} \rightarrow 2^{nd}$) (70 percent), "suffer from consumption and investment from Thai economic stagnation" ($5^{th} \rightarrow 3^{rd}$). It was confirmed that "exchange rate fluctuation" (48 percent) which ranked the fourth is still one of the common concerns, and concerns on "hike in material prices and cost including wages (inflation pressure)" and "hike in prices of steel, raw materials and intermediate goods (except oil and oil related materials)" have been increasing. (Table 6)

(Table 6) Potential factors affecting on the Thai economy (check all that apply)

Unit: No. of respondent, in ( ) percentage to total firms (%)

			Manufacture									Non-manufacture							
Previous time	This time		Food	Textile	Chemical	Steel/non-ferrous metals	General machinery	Electric/electronic machinery	Transportation machinery	Others	Total	Trading	Retailer	Finance/insurance/securities	Construction/civil engineering	Transportation/communication	Others	Total	Grand total
7	1	Long-term retention of political turmoil	14	6	16	18	12	33	37	23	159	19	9	9	16	9	20	82	241 (72)
6	2	Economic stagnation from Japan, US or EU	10	12	23	17	8	35	32	25	162	18	6	5	13	17	16	75	237 (70)
5	3	Suffer from consumption and investment from Thai economic stagnation	7	4	17	16	10	20	31	15	120	21	10	9	18	12	14	84	204 (61)
4	4	Exchange rate fluctuation	5	9	16	12	9	30	22	18	121	17	8	1	3	4	8	41	162 (48)
2	5	Hike in material prices and cost including wages (inflation pressure) (Note)	11	9	11	10	4	22	15	15	97	5	3	3	7	9	5	32	129 (38)
3	6	Hike in prices of steel, raw materials and intermediate goods (except oil and oil related materials)	1	2	5	12	2	18	27	8	75	3	1	0	9	2	3	18	93 (28)
1	7	Hike in prices of oil and oil related materials	7	5	12	4	2	13	11	14	68	6	3	1	2	4	4	20	88 (26)
8	8	Outbreak/ expansion of new-type flu	2	1	5	9	0	11	8	7	43	5	2	3	0	4	4	18	61 (18)
11	9	Stagnation in Chinese economy	0	1	8	5	4	8	4	5	35	11	2	1	1	1	3	19	54 (16)
-	10	Problems of tax, for example VAT and import duties	0	2	1	4	1	5	5	3	21	6	2	0	1	3	0	12	33 (10)
10	11	Working permit and visa issuance	0	1	0	1	0	2	1	1	6	7	1	2	6	3	4	23	29 (9)
-	12	Custom clearance procedure	0	1	1	2	2	4	1	3	14	5	1	0	0	4	0	10	24 (7)
13	13	Consumption and investment stagnation from high interest rate	0	1	0	5	0	0	3	2	11	2	1	2	1	1	3	10	21 (6)
9	13	Restriction on investment ratio	2	0	0	1	1	1	0	1	6	5	2	0	3	3	2	15	21 (6)
12	15	Environmental problems	0	2	3	2	0	2	2	1	12	1	0	1	1	1	2	6	18 (5)
16	16	Business and consumption stagnation from South Siam district conflict	0	0	1	0	2	0	3	0	6	4	1	0	0	1	3	9	15 (4)
14	17	Bad agricultural produce from draught and flood	3	0	0	0	1	0	1	2	7	1	0	1	0	1	0	3	10 (3)
15	18	No issue in particular	0	0	0	0	2	0	0	0	2	0	0	0	0	0	0	0	2 (1)
-	-	Others	2	0	0	2	0	1	0	2	7	2	0	1	0	1	0	4	11 (3)
		Total	64	56	119	120	60	205	203	145	972	138	52	39	81	80	91	481	1453
		No. of firms	16	15	26	27	16	43	47	32	222	28	11	10	22	19	25	115	337 (100)

(Note) The material prices and cost including wages exclude oil and oil related materials as well as steel, raw materials and intermediate goods (except oil and oil related materials).

(Reference) Comparison with the previous survey would be difficult, since some items have been added/ changed. The rank in the previous survey is indicated for reference only.

7. PROCUREMENT DESTNATION OF PARTS/ MATERIAL (MANUFACTURING SECTOR)

The ratio of procurement destination in 2008 (simple average of respondents) was 59.2 percent for ASEAN, including 50.4 percent for Thailand. (Table 7-1)

Regarding the ratio of planned procurement destination in 2009, the percentage of ASEAN rose, compared to those of 2008. (Table 7-2)

(Table 7-1) Suppliers of parts and materials in 2008

Unit: (%)

	Industry	ASEAN			Japan	Others	Total	No. of firms
			Thailand	ASEAN (except Thailand)				
Manufacturing sector	Food	83.1	73.7	9.3	5.8	11.1	100.0	15
	Textile	69.0	56.1	12.9	20.3	10.7	100.0	15
	Chemical	62.8	54.7	8.2	30.2	7.0	100.0	25
	Steel/Non-ferrous metal	38.2	31.8	6.4	45.8	16.0	100.0	25
	General machinery	54.8	48.8	6.0	41.9	3.3	100.0	15
	Electric/Electronics machinery	52.9	39.8	13.2	41.0	6.1	100.0	41
	Transportation machinery	55.5	50.7	4.8	42.6	1.9	100.0	44
	Others	57.6	47.4	10.1	37.3	5.1	100.0	31
	Manufacturing average	59.2	50.4	8.9	33.1	7.7	100.0	211

(Note) The ratio indicates the simple average of those of respondents.

(Table 7-2) Planned suppliers of parts and materials in 2009

Unit: (%)

	Industry	ASEAN			Japan	Others	Total	No. of firms
			Thailand	ASEAN (except Thailand)				
Manufacturing sector	Food	87.1	77.1	10.0	5.9	7.0	100.0	14
	Textile	70.8	57.9	12.9	18.7	10.5	100.0	15
	Chemical	63.2	53.9	9.3	30.4	6.4	100.0	25
	Steel/Non-ferrous metal	38.9	32.3	6.6	44.8	16.2	100.0	25
	General machinery	53.7	47.3	6.3	42.7	3.7	100.0	15
	Electric/Electronics machinery	55.0	41.7	13.2	39.1	6.0	100.0	41
	Transportation machinery	59.6	54.6	5.0	38.5	1.9	100.0	43
	Others	59.0	48.3	10.7	35.5	5.5	100.0	31
	Manufacturing average	60.9	51.6	9.3	32.0	7.1	100.0	209

(Note) See Table 7-1.

8. EXPORT TREND (MANUFACTURING SECTOR)

The percentage of the firms reporting an "increase" in their export accounted for 37 percent in the second half of 2008, 40 percent for the whole year of 2008, and 20 percent in the first half of 2009. (Table 8-1, Table 8-2 and Table 8-3)
In food and textile industries, more than 30 percent of the firms reporting an "increase" in their export in the first half of 2009, whereas the percentage of the firms reporting an "increase" in the same period is low in electric/ electronics machinery and steel/ non-ferrous metal.

(Table 8-1) Export in 2008 (the second half) **Unit: No. of firms and (%)**

Industry	The second half of 2008									
	Increase					Decrease				
		More than 20% increase	10-20% increase	Less than 10% increase	No Change		Less than 10% decrease	10-20% decrease	More than 20% decrease	Total
Food	5 (31)	2 (13)	2 (13)	1 (6)	7 (44)	4 (25)	2 (13)	2 (13)	0 (0)	16
Textile	7 (50)	1 (7)	3 (21)	3 (21)	5 (36)	2 (14)	2 (14)	0 (0)	0 (0)	14
Chemical	10 (38)	0 (0)	2 (8)	8 (31)	10 (38)	6 (23)	2 (8)	4 (15)	0 (0)	26
Steel/Non-ferrous metal	8 (32)	3 (12)	3 (12)	2 (8)	9 (36)	8 (32)	1 (4)	3 (12)	4 (16)	25
General machinery	4 (27)	1 (7)	1 (7)	2 (13)	7 (47)	4 (27)	1 (7)	2 (13)	1 (7)	15
Electric/Electronics machinery	12 (31)	0 (0)	3 (8)	9 (23)	11 (28)	16 (41)	5 (13)	6 (15)	5 (13)	39
Transportation machinery	17 (41)	2 (5)	10 (24)	5 (12)	12 (29)	12 (29)	5 (12)	5 (12)	2 (5)	41
Others	13 (45)	3 (10)	4 (14)	6 (21)	7 (24)	9 (31)	5 (17)	2 (7)	2 (7)	29
Manufacturing sector total	76 (37)	12 (6)	28 (14)	36 (18)	68 (33)	61 (30)	23 (11)	24 (12)	14 (7)	205

(Table 8-2) Export in 2008 (the whole year) **Unit: No. of firms and (%)**

Industry	The year 2008									
	Increase					Decrease				
		More than 20% increase	10-20% increase	Less than 10% increase	No Change		Less than 10% decrease	10-20% decrease	More than 20% decrease	Total
Food	6 (38)	2 (13)	2 (13)	2 (13)	7 (44)	3 (19)	1 (6)	2 (13)	0 (0)	16
Textile	7 (47)	1 (7)	2 (13)	4 (27)	5 (33)	3 (20)	2 (13)	0 (0)	1 (7)	15
Chemical	13 (50)	0 (0)	3 (12)	10 (38)	6 (23)	7 (27)	5 (19)	2 (8)	0 (0)	26
Steel/Non-ferrous metal	8 (32)	3 (12)	2 (8)	3 (12)	9 (36)	8 (32)	3 (12)	3 (12)	2 (8)	25
General machinery	4 (27)	1 (7)	2 (13)	1 (7)	7 (47)	4 (27)	1 (7)	2 (13)	1 (7)	15
Electric/Electronics machinery	12 (30)	0 (0)	7 (18)	5 (13)	14 (35)	14 (35)	7 (18)	6 (15)	1 (3)	40
Transportation machinery	21 (50)	5 (12)	5 (12)	11 (26)	11 (26)	10 (24)	4 (10)	5 (12)	1 (2)	42
Others	13 (45)	1 (3)	5 (17)	7 (24)	10 (34)	6 (21)	4 (14)	2 (7)	0 (0)	29
Manufacturing sector total	84 (40)	13 (6)	28 (13)	43 (21)	69 (33)	55 (26)	27 (13)	22 (11)	6 (3)	208

(Table 8-3) Export in 2009 (the first half) **Unit: No. of firms and (%)**

Industry	The first half of 2009									
	Increase					Decrease				
		More than 20% increase	10-20% increase	Less than 10% increase	No Change		Less than 10% decrease	10-20% decrease	More than 20% decrease	Total
Food	5 (31)	2 (13)	1 (6)	2 (13)	8 (50)	3 (19)	2 (13)	0 (0)	1 (6)	16
Textile	5 (33)	0 (0)	1 (7)	4 (27)	5 (33)	5 (33)	1 (7)	3 (20)	1 (7)	15
Chemical	7 (27)	1 (4)	3 (12)	3 (12)	10 (38)	9 (35)	1 (4)	5 (19)	3 (12)	26
Steel/Non-ferrous metal	4 (16)	0 (0)	1 (4)	3 (12)	11 (44)	10 (40)	2 (8)	3 (12)	5 (20)	25
General machinery	4 (27)	1 (7)	0 (0)	3 (20)	7 (47)	4 (27)	2 (13)	2 (13)	0 (0)	15
Electric/Electronics machinery	2 (5)	0 (0)	0 (0)	2 (5)	12 (30)	26 (65)	9 (23)	11 (28)	6 (15)	40
Transportation machinery	11 (26)	1 (2)	2 (5)	8 (19)	8 (19)	23 (55)	7 (17)	8 (19)	8 (19)	42
Others	4 (14)	1 (3)	1 (3)	2 (7)	12 (41)	13 (45)	4 (14)	8 (28)	1 (3)	29
Manufacturing sector total	42 (20)	6 (3)	9 (4)	27 (13)	73 (35)	93 (45)	28 (13)	40 (19)	25 (12)	208

9. PROSPECTIVE MARKET IN THE FUTURE (MANUFACTURING SECTOR)

For the prospective market in the future (check all that apply), "Vietnam" (48 percent) rose to the 1st rank from the 4th rank in the previous survey. The other predominant responses were "India" (41 percent), "ASEAN (Vietnam, Cambodia, Laos, and Myanmar are excluded.)" (29 percent) and "Middle East" (19 percent). "Japan" fell to the fifth from the third in the previous survey. (Table 9)

(Table 9) Prospective market in the future (check all that apply)

Unit: No. of firms and (%)

	Industry	Vietnam	India	ASEAN	Middle East	Japan	China	Europe	USA	Oceania	CLM	Others	Total	No. of firms
Manufacture	Food	6 (38)	2 (13)	5 (31)	2 (13)	3 (19)	0 (0)	3 (19)	5 (31)	2 (13)	3 (19)	1 (6)	32	16
	Textile	5 (36)	6 (43)	6 (43)	3 (21)	4 (29)	1 (7)	6 (43)	1 (7)	1 (7)	1 (7)	2 (14)	36	14
	Chemical	14 (56)	15 (60)	6 (24)	5 (20)	3 (12)	5 (20)	3 (12)	2 (8)	4 (16)	2 (8)	1 (4)	60	25
	Steel/ non-ferrous metal	8 (32)	7 (28)	4 (16)	5 (20)	3 (12)	2 (8)	3 (12)	4 (16)	1 (4)	2 (8)	2 (8)	41	25
	General machinery	7 (47)	5 (33)	5 (33)	4 (27)	4 (27)	1 (7)	1 (7)	1 (7)	0 (0)	2 (13)	1 (7)	31	15
	Electric/ electronics machinery	26 (60)	15 (35)	14 (33)	8 (19)	7 (16)	10 (23)	7 (16)	2 (5)	3 (7)	1 (2)	6 (14)	99	43
	Transportation machinery	18 (45)	23 (58)	13 (33)	5 (13)	5 (13)	4 (10)	1 (3)	0 (0)	2 (5)	2 (5)	1 (3)	74	40
	Others	15 (52)	11 (38)	8 (28)	8 (28)	5 (17)	5 (17)	3 (10)	4 (14)	2 (7)	1 (3)	1 (3)	63	29
	Manufacturing sector total	99 (48)	84 (41)	61 (29)	40 (19)	34 (16)	28 (14)	27 (13)	19 (9)	15 (7)	14 (7)	15 (7)	436	207
This time		1	2	3	4	5	6	7	8	9	10	-		
Previous time		4	1	2	7	3	6	5	8	9	10	-		

(Note) 1. Vietnam, Cambodia, Laos, and Myanmar are excluded from ASEAN.
2. CLM stands for Cambodia, Laos, and Myanmar.

10. EFFECTS/ IMPACTS OF FTAs/EPAs WHERE THAILAND INVOLVED

(1) Utilization of JTEPA

The predominant reason for no-utilization of JTEPA was "utilization of other privileges" (30 percent), followed by "no export/ import with Japan" (22 percent) and "lack of knowledge on the procedures, complicated procedures" (11 percent). The percentage of the firms responding that the purpose to utilize JTEPA was "import from Japan to Thailand" (15 percent) exceeded those of "export from Thailand to Japan" (5 percent). About 10 percent of the firms responded "not utilize yet, but plan to utilize". (Table 10-1)

(Table 10-1) Utilization of JTEPA

Unit: No. of firms and (%)

	Industry	Not utilize				Utilize			Not utilize yet, but plan to utilize	No. of firms
		No export/ import with Japan	Utilization of other privileges	Lack of knowledge on the procedures, complicated procedures	Insufficient merit in duties	Export from Thailand to Japan	Import from Japan to Thailand	Export/ import between Thailand and Japan		
Manufacture	Food	4 (29)	4 (29)	0 (0)	2 (14)	2 (14)	1 (7)	1 (7)	1 (7)	14
	Textile	0 (0)	0 (0)	0 (0)	1 (7)	4 (29)	4 (29)	4 (29)	1 (7)	14
	Chemical	0 (0)	10 (45)	2 (9)	4 (18)	0 (5)	4 (18)	0 (0)	3 (14)	22
	Steel/non-ferrous metal	5 (19)	6 (22)	4 (15)	1 (4)	1 (0)	10 (37)	0 (0)	0 (0)	27
	General machinery	1 (8)	2 (17)	3 (25)	3 (25)	1 (8)	2 (17)	0 (0)	2 (17)	12
	Electric/electronics machinery	1 (2)	26 (62)	4 (10)	8 (19)	1 (2)	1 (2)	0 (0)	3 (7)	42
	Transportation machinery	0 (0)	21 (53)	8 (20)	3 (8)	1 (3)	8 (20)	1 (3)	3 (8)	40
	Others	2 (7)	18 (64)	3 (11)	3 (11)	2 (7)	2 (7)	2 (7)	4 (14)	28
	Manufacturing sector total	13 (7)	87 (44)	24 (12)	25 (13)	12 (6)	32 (16)	8 (4)	17 (9)	199
Non-manufacture	Trading	3 (11)	1 (4)	3 (11)	2 (7)	3 (11)	8 (29)	2 (7)	8 (29)	28
	Retailer	2 (18)	1 (9)	2 (18)	1 (9)	0 (0)	4 (36)	0 (0)	1 (9)	11
	Finance/insurance/securities	10 (111)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (11)	0 (0)	9
	Construction/civil engineering	16 (84)	1 (5)	1 (5)	1 (5)	0 (0)	0 (0)	0 (0)	1 (5)	19
	Transportation/communication	13 (81)	0 (0)	0 (0)	1 (6)	0 (0)	0 (0)	2 (13)	2 (13)	16
	Others	11 (46)	2 (8)	5 (21)	2 (8)	0 (0)	1 (4)	0 (0)	3 (13)	24
	Non-manufacturing sector total	55 (51)	5 (5)	11 (10)	7 (7)	3 (3)	13 (12)	5 (5)	15 (14)	107
	Total	68 (22)	92 (30)	35 (11)	32 (10)	15 (5)	45 (15)	13 (4)	32 (10)	306

(2) Effective FTAs/EPAs where Thailand involved (check all that apply)

About 44 percent of the firms answered that Japan-Thailand Economic Partnership Agreement (JTEPA) was effective, followed by ASEAN Free Trade Area (AFTA) (36 percent). About 14 percent of the firms answered AJCEP, which has not been concluded yet. (Table 10-2)

(Table 10-2) Effective FTAs/EPAs where Thailand involved

Unit: No. of firms and (%)

	Industry	JTEPA	Thailand - Australia FTA	Thailand - NZ FTA	Thailand - India FTA	AFTA	ASEAN-China FTA	AJCEP	ASEAN-India FTA	ASEAN-Korea FTA	Nothing in particular	No. of firms
Manufacture	Food	7 (50)	5 (36)	5 (36)	1 (7)	9 (64)	3 (21)	1 (7)	2 (14)	0 (0)	2 (14)	14
	Textile	11 (79)	1 (7)	0 (0)	3 (21)	8 (57)	3 (21)	5 (36)	1 (7)	0 (0)	0 (0)	14
	Chemical	8 (36)	1 (5)	0 (0)	4 (18)	7 (32)	7 (32)	2 (9)	2 (9)	2 (9)	6 (27)	22
	Steel/non-ferrous metal	14 (52)	4 (15)	0 (0)	9 (33)	12 (44)	3 (11)	2 (7)	5 (19)	1 (4)	3 (11)	27
	General machinery	6 (50)	0 (0)	0 (0)	4 (33)	1 (8)	3 (25)	1 (8)	3 (25)	0 (0)	3 (25)	12
	Electric/electronics machinery	15 (36)	2 (5)	0 (0)	9 (21)	14 (33)	6 (14)	3 (7)	5 (12)	0 (0)	15 (36)	42
	Transportation machinery	20 (50)	6 (15)	2 (5)	11 (28)	20 (50)	7 (18)	10 (25)	11 (28)	1 (3)	8 (20)	40
	Others	10 (36)	2 (7)	1 (4)	4 (14)	8 (29)	4 (14)	4 (14)	4 (14)	0 (0)	10 (36)	28
	Manufacturing sector total	91 (46)	21 (11)	8 (4)	45 (23)	79 (40)	36 (18)	28 (14)	33 (17)	4 (2)	47 (24)	199
Non-manufacture	Trading	17 (61)	2 (7)	0 (0)	7 (25)	14 (50)	5 (18)	8 (29)	4 (14)	0 (0)	5 (18)	28
	Retailer	6 (55)	0 (0)	0 (0)	2 (18)	3 (27)	0 (0)	1 (9)	1 (9)	0 (0)	3 (27)	11
	Finance/insurance/securities	1 (11)	1 (11)	1 (11)	1 (11)	1 (11)	0 (0)	1 (11)	1 (11)	0 (0)	6 (67)	9
	Construction/civil engineering	3 (16)	0 (0)	0 (0)	0 (0)	2 (11)	3 (16)	0 (0)	0 (0)	0 (0)	13 (68)	19
	Transportation/communication	9 (56)	1 (6)	1 (6)	4 (25)	6 (38)	3 (19)	5 (31)	2 (13)	0 (0)	6 (38)	16
	Others	7 (29)	1 (4)	0 (0)	1 (4)	6 (25)	3 (13)	1 (4)	0 (0)	0 (0)	13 (54)	24
	Non-manufacturing sector total	43 (40)	5 (5)	2 (2)	15 (14)	32 (30)	14 (13)	16 (15)	8 (7)	0 (0)	46 (43)	107
	Total	134 (44)	26 (8)	10 (3)	60 (20)	111 (36)	50 (16)	44 (14)	41 (13)	4 (1)	93 (30)	306

(Note)AJCEP: ASEAN-Japan Comprehensive Economic Partnership

(3) Concrete effects/ impacts of FTAs/EPAs where Thailand involved (check all that apply)

The predominant response was "expansion of export to relevant countries" (44 percent), followed by "cost reduction of parts imported from relevant countries" (37 percent). The number of the firms answering "expansion of investment to Thailand" and "reorganization of overseas business bases" is 25 and 22 respectively. (Table 10-3)

(Table 10-3) Concrete effects/ impacts of FTAs/EPAs where Thailand involved

Unit: No. of firms and (%)

	Industry	Expansion of export to relevant countries	Intensified competition with goods imported from relevant countries	Cost reduction of parts imported from relevant countries	Enhancement of products selection due to import of finished goods from relevant countries	Expansion of investment to Thailand	Reorganization of overseas business bases	Nothing in particular	Others	No. of firms
Manufacture	Food	6 (50)	1 (8)	8 (67)	0 (0)	0 (0)	1 (8)	1 (8)	0 (0)	12
	Textile	11 (79)	1 (7)	5 (36)	0 (0)	1 (7)	2 (14)	2 (14)	0 (0)	14
	Chemical	12 (63)	3 (16)	7 (37)	1 (5)	0 (0)	2 (11)	3 (16)	0 (0)	19
	Steel/non-ferrous metal	13 (52)	3 (12)	10 (40)	0 (0)	3 (12)	1 (4)	4 (16)	1 (4)	25
	General machinery	4 (33)	0 (0)	4 (33)	1 (8)	0 (0)	1 (8)	5 (42)	0 (0)	12
	Electric/electronics machinery	17 (47)	4 (11)	16 (44)	0 (0)	5 (14)	1 (3)	8 (22)	0 (0)	36
	Transportation machinery	20 (51)	5 (13)	18 (46)	2 (5)	2 (5)	3 (8)	7 (18)	1 (3)	39
	Others	9 (35)	4 (15)	10 (38)	1 (4)	0 (0)	2 (8)	10 (38)	0 (0)	26
	Manufacturing sector total	92 (50)	21 (11)	78 (43)	5 (3)	11 (6)	13 (7)	40 (22)	2 (1)	183
Non-manufacture	Trading	13 (48)	2 (7)	11 (41)	3 (11)	6 (22)	2 (7)	3 (11)	1 (4)	27
	Retailer	3 (27)	1 (9)	3 (27)	4 (36)	0 (0)	1 (9)	3 (27)	0 (0)	11
	Finance/insurance/securities	2 (25)	0 (0)	0 (0)	0 (0)	2 (25)	1 (13)	5 (63)	0 (0)	8
	Construction/civil engineering	0 (0)	0 (0)	4 (25)	1 (6)	1 (6)	1 (6)	10 (63)	0 (0)	16
	Transportation/communication	7 (58)	0 (0)	2 (17)	0 (0)	1 (8)	2 (17)	4 (33)	0 (0)	12
	Others	5 (26)	0 (0)	4 (21)	0 (0)	4 (21)	2 (11)	8 (42)	1 (5)	19
	Non-manufacturing sector total	30 (32)	3 (3)	24 (26)	8 (9)	14 (15)	9 (10)	33 (35)	2 (2)	93
	Total	122 (44)	24 (9)	102 (37)	13 (5)	25 (9)	22 (8)	73 (26)	4 (1)	276

11. IMPACTS OF WORLDWIDE FINANCIAL CRISIS (check all that apply)

(1) Current impacts of worldwide financial crisis (check all that apply)

The predominant response was "decreasing (domestic) sales due to drop in demand and conservative consumption" (49 percent), followed by decreasing export including ASEAN (21 percent), USA (21 percent), Japan (18 percent) and Europe (18 percent). The percentage of the firms responding "no impact in particular" was 24 percent. (Table 11-1)

(Table 11-1) Current impacts of worldwide financial crisis(check all that apply)

Unit: No. of firms and (%)

	Manufacture									Non-manufacture							
	Food	Textile	Chemical	Steel/non-ferrous metals	General machinery	Electric/electronic machinery	Transportation machinery	Others	Total	Trading	Retailer	Finance/insurance/securities	Construction/civil engineering	Transportation/communication	Others	Total	Grand total
Conservative attitude of financial institutions to lend	0	0	2	0	2	4	2	4	14	3	0	2	0	0	2	7	21 (6)
Change of financing method due to difficulty in financing from financial institutions	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	1 (0)
Decreasing (domestic) sales due to drop in demand and conservative consumption	4	7	12	16	5	23	27	9	103	18	8	5	11	6	8	56	159 (49)
Decreasing export to (trade with) USA	2	8	3	3	1	14	14	10	55	5	0	1	0	6	1	13	68 (21)
Decreasing export to (trade with) China	0	1	5	2	0	9	3	4	24	5	0	0	0	0	1	6	30 (9)
Decreasing export to (trade with) Japan	0	3	3	4	3	18	7	10	48	3	0	1	0	8	0	12	60 (18)
Decreasing export to (trade with) ASEAN (Thailand is excluded)	2	1	8	5	2	15	17	6	56	5	1	1	1	3	2	13	69 (21)
Decreasing export to (trade with) Europe	2	5	5	3	2	13	13	7	50	3	0	1	0	4	1	9	59 (18)
Decreasing export to (trade with) other countries/ areas than the above	0	1	2	3	2	2	5	1	16	1	0	0	2	0	1	4	20 (6)
No impact in particular	8	4	6	5	4	8	7	8	50	6	2	2	6	3	8	27	77 (24)
Others	2	1	1	1	1	0	2	1	9	0	0	0	4	2	1	7	16 (5)
Total	20	31	47	42	23	106	97	60	426	49	11	13	24	32	25	154	580
No. of firms	16	15	26	27	15	43	46	32	220	28	10	8	22	16	23	107	327 (100)

(2) Potential impacts of worldwide financial crisis

The predominant response was "decreasing export to (trade with) China" (58 percent), followed by "decreasing export to (trade with) other countries/ areas than USA, China, Japan, ASEAN and Europe" (32 percent) and "decreasing export to (trade with) Europe" (28 percent). (Table 11-2)

(Table 11-2) Potential impacts of worldwide financial crisis (check all that apply)

Unit: No. of firms and (%)

	Manufacture									Non-manufacture							
Due to the current worldwide financial crisis, in near future,	Food	Textile	Chemical	Steel/non-ferrous metals	General machinery	Electric/electronic machinery	Transportation machinery	Others	Total	Trading	Retailer	Finance/insurance/securities	Construction/civil engineering	Transportation/communication	Others	Total	Grand total
Conservative attitude of financial institutions to lend	5	5	10	6	4	8	8	9	55	7	1	4	1	1	4	18	73 (22)
Change of financing method due to difficulty in financing from financial institutions	2	1	1	3	4	3	2	3	19	1	0	1	2	1	2	7	26 (8)
Decreasing (domestic) sales due to drop in demand and conservative consumption	0	1	0	2	2	0	0	1	6	0	0	1	4	0	2	7	13 (4)
Decreasing export to (trade with) USA	0	0	1	0	1	1	2	1	6	0	0	0	1	0	1	2	8 (2)
Decreasing export to (trade with) China	5	7	18	16	6	23	29	11	115	21	11	5	14	11	14	76	191 (58)
Decreasing export to (trade with) Japan	1	8	7	5	3	19	11	12	66	9	0	1	0	7	1	18	84 (26)
Decreasing export to (trade with) ASEAN (Thailand is excluded)	0	1	9	2	1	14	3	2	32	7	0	0	0	5	0	12	44 (13)
Decreasing export to (trade with) Europe	1	7	7	5	4	21	13	14	72	7	0	1	0	10	1	19	91 (28)
Decreasing export to (trade with) other countries/ areas than the above	3	3	13	8	3	24	22	10	86	7	1	1	2	7	2	20	106 (32)
No impact in particular	2	8	8	5	3	21	12	12	71	3	0	1	0	7	1	12	83 (25)
Others	2	2	3	5	3	4	9	0	28	2	0	0	2	1	1	6	34 (10)
Total	21	43	77	57	34	138	111	75	556	64	13	15	26	50	29	197	753
No. of firms	16	15	26	27	15	43	46	32	220	27	11	9	22	18	21	108	328 (100)

(3) Impacts on investment trend by worldwide financial crisis

The predominant response was "no impact in particular (no change in investment plan)" (37 percent), followed by "plan to change investment plan downward" (29 percent) and "changed investment plan downward" (18 percent). (Table 11-3)

(Table 11-3) Impacts on investment trend by worldwide financial crisis (check all that apply)

Unit: No. of firms and (%)

	Manufacture									Non-manufacture							
Due to the current worldwide financial crisis,	Food	Textile	Chemical	Steel/non-ferrous metals	General machinery	Electric/electronic machinery	Transportation machinery	Others	Total	Trading	Retailer	Finance/insurance/securities	Construction/civil engineering	Transportation/communication	Others	Total	Grand total
Changed investment plan downward	0	0	6	4	2	12	14	7	45	3	2	1	3	1	1	11	56 (18)
Plan to change investment plan downward	4	6	10	11	4	11	16	12	74	4	3	1	1	4	5	18	92 (29)
Plan to change investment plan upward	0	0	1	1	0	1	2	2	7	1	0	0	2	2	0	5	12 (4)
Changed investment plan upward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0 (0)
No impact in particular (no change in investment plan)	10	8	7	10	3	13	11	7	69	13	4	6	7	9	9	48	117 (37)
Unknown	2	1	2	1	7	6	3	5	27	5	1	1	6	3	6	22	49 (15)
Total	16	15	26	27	16	43	46	33	222	26	10	9	19	19	21	104	326
No. of firms	16	15	24	27	15	40	46	32	215	26	10	8	19	18	21	102	317 (100)

12. REPONSES TO THE PRODUCT LIABILITY LAW (check all that apply)

The predominant response “know introduction of the Product Liability Law, but no response in particular” (41 percent), whereas a certain percentage of the firms have taken (or plan to take) particular actions, including “reviewed/ plan to review the internal system related to safety measures (e.g. establishment of risk management division)” (19 percent), “implemented/ plan to implement measures to improve safety (e.g. design, production line, instructions)” (17 percent) and “plan to take out insurance” (15 percent). More than 10 percent of the firms do not know introduction of the Product Liability Law. (Table 12)

(Table 12) Response to the Product Liability Law (check all that apply)

Unit: No. of firms and (%)

	Manufacture									Non-manufacture							
	Food	Textile	Chemical	Steel/non-ferrous metals	General machinery	Electric/electronic machinery	Transportation machinery	Others	Total	Trading	Retailer	Finance/insurance/securities	Construction/civil engineering	Transportation/communication	Others	Total	Grand total
Reviewed/ plan to review the internal system related to safety measures (e.g. establishment of risk management division)	8	5	6	1	3	9	10	7	49	2	3	0	4	1	2	12	61 (19)
Implemented/ plan to implement measures to improve safety (e.g. design, production line, instructions)	5	3	5	4	3	12	7	8	47	2	0	0	4	0	2	8	55 (17)
Developed/ plan to develop documentation management system for complaints/ suits	5	3	3	2	4	6	12	4	39	2	1	2	1	0	3	9	48 (15)
Agreed/ plan to agree with suppliers/ customers on sharing of responsibilities	2	1	0	2	2	5	4	3	19	5	2	0	1	1	0	9	28 (9)
Plan to take out insurance	7	1	1	3	4	12	12	4	44	3	0	0	2	0	1	6	50 (15)
Know introduction, but no response in particular	2	5	14	13	7	11	15	11	78	14	4	4	10	11	12	55	133 (41)
No know introduction	2	2	1	5	0	5	3	4	22	3	2	2	4	4	3	18	40 (12)
Total	31	20	30	30	23	60	63	41	298	31	12	8	26	17	23	117	415
No. of firms	16	15	26	27	15	42	46	31	218	27	10	8	21	17	23	106	324 (100)

(Note) In Thailand, the Product Liability Law was issued in February 2008 and will be enacted from February 20, 2009 onward.

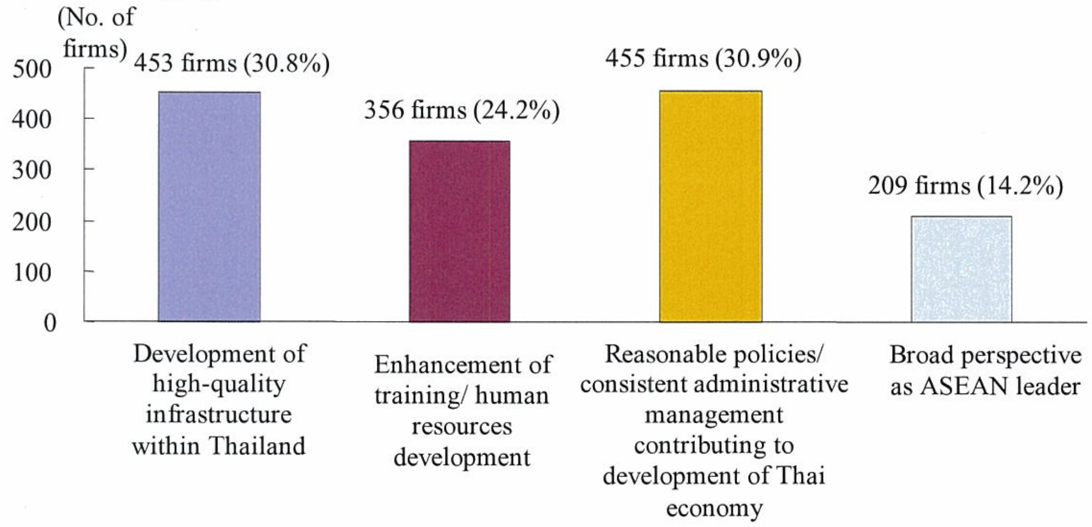
13. REQUESTED POLICIES AND ADMINISTRATIVE MANAGEMENT BY THE THAI GOVERNMENT (check 5 that apply)

With reference to requests to the Thai government regarding economic/ social policies and administrative management, two major responses were "reasonable policies/ consistent administrative management contributing to development of Thai economy" (30.9 percent) and "development of high-quality infrastructure within Thailand" (30.8 percent).

In terms of the detailed responses, the predominant one was "improvement of traffic issues in Bangkok metropolis and surrounding areas (road, railway)", followed by "enhancement of training for engineers", "continuation of consistent preferential treatments for foreign enterprises", "enhancement of training for administrative staffs" and "leadership toward formation of Asian Community/ East Asian economic integration".

Note that political matters (e.g. stabilization of political situation, resolution of dispute in the border with Cambodia) are excluded. (Figure 2, Table 13)

(Figure 2) Requested policies and administrative management by the Thai government (check 5 that apply)



(Table 13) Requested policies/ administrative management by the Thai government (check 5 that apply)

Unit: No. of firms and (%)

	Manufacture									Non-manufacture								
	Food	Textile	Chemical	Steel/non-ferrous metals	General machinery	Electric/electronic machinery	Transportation machinery	Others	Total	Trading	Retailer	Finance/insurance/securities	Construction/civil engineering	Transportation/communication	Others	Total	Grand total	
Development of high-quality infrastructure within Thailand	23	20	33	34	17	67	58	49	301	35	14	13	29	29	32	152	453	
Enhancement of function of ports near Bangkok	4	1	2	1	3	9	5	6	31	4	3	0	0	7	2	16	47	(11)
Improvement of traffic issues in Bangkok metropolis and surrounding areas (road, railway)	13	12	21	21	9	37	37	25	175	18	9	8	19	13	20	87	262	(1)
Promotion of economic areas development in Southern Region (e.g. development of ports, industries attraction)	0	0	0	1	0	0	2	1	4	2	0	0	1	1	1	5	9	(15)
Development of information and communication network (e.g. fiber optics, 3G)	5	5	10	10	5	20	11	14	80	11	2	5	9	8	9	44	124	(7)
Others	1	2	0	1	0	1	3	3	11	0	0	0	0	0	0	0	11	(14)
Enhancement of training/ human resources development	19	15	32	31	15	48	54	40	254	24	9	9	21	17	22	102	356	
Enhancement of training for engineers	11	8	17	15	9	25	33	21	139	8	3	1	13	5	9	39	178	(2)
Enhancement of training for administrative staffs	6	7	9	12	5	16	18	16	89	12	4	6	6	11	10	49	138	(4)
Others	2	0	6	4	1	7	3	3	26	4	2	2	2	1	3	14	40	(12)
Reasonable policies/ consistent administrative management contributing to development of Thai economy	22	21	29	38	23	63	57	40	293	43	12	18	28	30	31	162	455	
Dialogue with industry in policy decision (e.g. energy-related policies, recycle policies)	3	4	6	7	4	12	14	6	56	6	3	0	3	2	3	17	73	(9)
Various regulatory reform	8	2	7	13	7	20	19	10	86	13	5	8	4	10	7	47	133	(6)
Continuation of consistent preferential treatments for foreign enterprises	6	11	12	14	7	23	20	20	113	6	1	4	10	8	12	41	154	(3)
Relaxation of regulation on foreign-invested firms (further implementation of promotional policies for foreign enterprises)	4	3	4	4	5	4	3	4	31	14	3	6	11	9	9	52	83	(8)
Others	1	1	0	0	0	4	1	0	7	4	0	0	0	1	0	5	12	(13)
Broad perspective as ASEAN leader	9	8	14	16	12	29	31	20	139	15	6	6	16	12	15	70	209	
Leadership toward formation of Asian Community/ East Asian economic integration	9	5	11	14	7	16	25	9	96	8	3	4	9	7	8	39	135	(5)
Active collaboration for infrastructure development in neighbor countries	0	3	3	2	5	11	5	10	39	7	2	2	6	5	7	29	68	(10)
Others	0	0	0	0	0	2	1	1	4	0	1	0	1	0	0	2	6	(16)
Total	73	64	108	119	67	207	200	149	987	117	41	46	94	88	100	486	1473	
No. of firms	15	13	22	26	15	42	42	32	207	24	11	9	22	18	24	108	315	(100)