

Survey of Business Sentiment on Japanese Corporations in Thailand
for the 2nd half of 2012

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Survey of Business Sentiment on Japanese Corporations in Thailand for the 2nd half of 2012

JCC Economic Survey Team

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Survey Period

Questionnaire request date November 21, 2012

Questionnaire response deadline December 20, 2012

Questionnaire response

This questionnaire was distributed to

1,419 JCC member corporations.

(Eleven governmental organizations were excluded).

No. of firms responding to this questionnaire

381 corporations.

The response percentage

26.9%.

*No. of firms suffering direct effects to their buildings or facilities by the 2011 Thailand floods;

71 corporations (Manufacturers: 57, Non-manufacturers: 14).

Note

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

Report about the response to this questionnaire

Please refer to the following pages.

No. of firms	
Industry	No.
Manufacturing	Food
	12
	Textile
	14
	Chemical
	30
	Steel/Non-ferrous metal
	24
Non-manufacturing	General machinery
	8
	Electrical/Electronic machinery
	48
	Transportation machinery
	47
	Others
	40
Manufacturing sector total	
223	
Non-manufacturing	Trading
	56
	Retailer
	12
	Finance/Insurance/Securities
	16
	Construction/Civil engineering
	19
Non-manufacturing	Transportation/Communication
	30
	Others
	25
Non-manufacturing sector total	
158	
Total	
381	

1. BUSINESS SENTIMENT

(1) Summary

During the period from the first half of 2012 to the first half of 2013, the target period of this survey, business sentiment recovered rapidly in the first half of 2012 from the effect of the 2011 Thailand floods. The recovery pace is expected to slow down in the second half of 2012 and first half of 2013, while the business sentiment is anticipated to continue its upward trend. (Table 1-1)

(Table 1-1) Business Sentiment

Unit: %

	Past Surveys							Previous Survey			Survey this time		
	Result							Result	Forecast		Result	Forecast	
	08H1	08H2	09H1	09H2	10H1	10H2	11H1	11H2	12H1	12H2	12H1	12H2	13H1
Improving	57	21	15	71	72	71	57	21	70	66	76	62	56
No change	23	15	17	14	15	18	18	17	15	23	11	18	31
Deteriorating	20	65	68	16	12	12	25	62	15	11	14	19	13
(Ref) DI	37	▲ 44	▲ 53	55	60	59	32	▲ 41	55	55	62	43	43

(Note)

1. DI = “improving” – “deteriorating”

2. As the fraction of a percentage is rounded off, the total may not equal 100 percent. This also applies to the tables below.

(Note) To determine whether business performance is “improving” or “deteriorating”, business performance should be compared between this term and the previous term. If DI, which is the balance between those two figures, is above the neutral level, it signifies that business performances of many firms are improving. If it’s below the neutral level, it signifies that they are deteriorating.

(2) The first half of 2012 (January – June)

The percentage of firms reporting that business sentiment was “improving” increased by 55 points to 76% from the previous term (21%), whereas those reporting “deteriorating” decreased by 48% to 14% from the previous term (62%). As a result, the Diffusion Index (DI), which is the balance between “improving” and “deteriorating”, was calculated as +62, 103 points higher than the previous term (-41) (Table 1-1).

The DI turned to “improving” in all industries in the manufacturing sector. As a result, the overall DI in the manufacturing sector increased by 115 points to +56 from the previous term (-59). For the non-manufacturing sector, it also turned to “improving” in all industries, with the overall DI in the non-manufacturing sector decreasing by 81 points to +71 from the previous term (-10). (Table 1-2)

(3) The second half of 2012 (July – December)

The percentage of firms reporting that business performance was “improving” decreased 14 points to 62% from the previous term (76%), whereas the percentage of firms reporting “deteriorating” decreased 5 points to 19% from the previous term (14%). As a result, the overall DI of +43 was higher by 19 points than the previous term (+62). (Table 1-1).

In the manufacturing sector, the pace of improvement decreased in all industries other than food and textile and as a result, the overall DI of +36 was lower than the previous period (+56) by 20 points. In the non-manufacturing sector, the improvement rate decreased in all industries other than finance/ insurance/ securities. As a result, the overall DI of +52 was lower than the previous period (+71) by 19 points. (Table 1-2).

(4) The second half of 2013 (January – June)

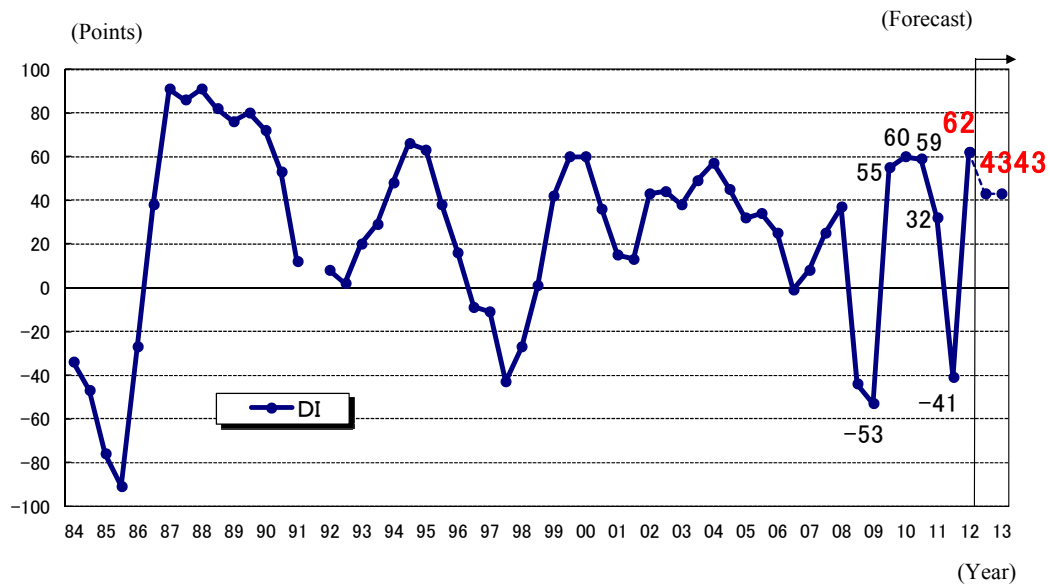
The percentage of firms reporting that business performance was “improving” decreased by 6 points to 56% from the previous term (62%), whereas the percentage of firms reporting “deteriorating” fell by 6 points to 13% from the previous term (19%). As a result, the overall DI is estimated at +43, the same as for the previous term. (Table 1-1).

In the manufacturing sector, the DI is expected to improve by 3 points to +39 over the previous term (+36). In the non-manufacturing sector, the overall DI is expected to decline by 4 points to +48 from the previous period (+52). (Table 1-2).

(Table 1-2) DI by industry (“improving” – “deteriorating”)

Industry		Past Surveys								Survey this time		
		Result						Forecast		Result	Forecast	
		09H1	09H2	10H1	10H2	11H1	11H2	12H1	11H2	12H1	12H2	13H1
Manufacturing	Food	33	54	0	0	29	▲ 31	23	50	18	18	25
	Textile	▲ 40	43	15	18	38	▲ 14	14	65	14	39	21
	Chemical	▲ 32	84	75	55	▲ 12	▲ 69	50	60	37	23	41
	Steel/Non-ferrous metal	▲ 88	70	96	68	18	▲ 87	62	57	59	33	54
	General machinery	▲ 57	70	77	47	57	▲ 17	75	50	100	50	100
	Electrical/Electronic machinery	▲ 35	74	65	38	27	▲ 77	28	46	59	17	27
	Transportation machinery	▲ 88	82	87	94	▲ 7	▲ 74	78	78	74	70	40
	Others	▲ 68	45	62	42	32	▲ 39	32	23	59	28	43
	Manufacturing sector total	▲ 57	69	67	52	16	▲ 59	46	52	56	36	39
Non-manufacturing	Trading	▲ 43	61	83	83	59	▲ 46	85	67	70	51	42
	Retailer	9	75	12	100	82	30	64	91	75	67	58
	Finance/Insurance/Securities	▲ 47	33	54	82	64	7	54	62	53	67	80
	Construction/Civil engineering	▲ 67	▲ 35	7	50	88	55	85	59	89	57	37
	Transportation/Communication	▲ 53	37	69	55	32	▲ 37	74	52	80	33	50
	Others	▲ 56	19	17	53	52	▲ 4	40	43	59	58	44
	Non-manufacturing sector total	▲ 47	34	48	70	59	▲ 10	70	59	71	52	48
Total		▲ 53	55	60	59	32	▲ 41	55	55	62	43	43

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



(Note)

1. Diffusion Index (DI) = improving – deteriorating
2. No survey was implemented in the second half of 1991.

2. SALES

The percentage of firms reporting an “increase” in their total sales in 2012 rose by 20 points to 74% from the previous year (54%). The percentage of firms reporting a “more than 20% increase” in their total sales rose by 22 points to 35% from the previous year (13%). (Table 2-1 and Table 2-2).

Regarding sales forecasts for 2013, the number of firms anticipating an “increase” in their total sales rose by 2 points to 76% from the previous period (74%), and the percentage of firms anticipating a “more than 20% increase” in their total sales also rose by 16 points, from 35% in the previous period to 19%. (Table 2-1 and Table 2-3).

(Table 2-1) Change in total sales

Unit: %

	Past Surveys							Previous Survey		Survey this time	
	Result							Forecast		Result	Forecast
	04	05	06	07	08	09	10	11	12	12	13
Year	04	05	06	07	08	09	10	11	12	12	13
Sales increase	82	73	65	61	56	33	82	54	76	74	76
Sales increase more than 20%	44	27	17	14	14	6	46	13	33	35	19

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

(Table 2-2) Sales Forecast in 2012

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%	
Manufacturing	Food	6 (55)	0 (0)	2 (18)	4 (36)	1 (9)	4 (36)	1 (9)	1 (9)	2 (18)
	Textile	6 (43)	1 (7)	2 (14)	3 (21)	4 (29)	4 (29)	1 (7)	0 (0)	3 (21)
	Chemical	16 (53)	4 (13)	8 (27)	4 (13)	7 (23)	7 (23)	3 (10)	1 (3)	3 (10)
	Steel/Non-ferrous metal	15 (71)	6 (29)	4 (19)	5 (24)	1 (5)	5 (24)	4 (19)	1 (5)	0 (0)
	General machinery	7 (88)	6 (75)	1 (13)	0 (0)	1 (13)	0 (0)	0 (0)	0 (0)	0 (0)
	Electrical/Electronic machinery	25 (56)	13 (29)	6 (13)	6 (13)	6 (13)	14 (31)	5 (11)	1 (2)	8 (18)
	Transportation machinery	39 (87)	23 (51)	10 (22)	6 (13)	2 (4)	4 (9)	2 (4)	1 (2)	1 (2)
	Others	29 (74)	10 (26)	11 (28)	8 (21)	0 (0)	10 (26)	5 (13)	4 (10)	1 (3)
Manufacturing sector total		143 (67)	63 (30)	44 (21)	36 (17)	22 (10)	48 (23)	21 (10)	9 (4)	18 (8)
Non-manufacturing	Trading	40 (75)	21 (40)	13 (25)	6 (11)	5 (9)	8 (15)	1 (2)	5 (9)	2 (4)
	Retailer	11 (100)	4 (36)	3 (27)	4 (36)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)
	Finance/Insurance/Securities	12 (86)	5 (36)	4 (29)	3 (21)	1 (7)	1 (7)	0 (0)	1 (7)	0 (0)
	Construction/Civil engineering	17 (89)	14 (74)	2 (11)	1 (5)	1 (5)	1 (5)	0 (0)	0 (0)	1 (5)
	Transportation/Communication	25 (83)	8 (27)	10 (33)	7 (23)	2 (7)	3 (10)	0 (0)	3 (10)	0 (0)
	Others	21 (88)	11 (46)	8 (33)	2 (8)	1 (4)	2 (8)	0 (0)	0 (0)	2 (8)
	Non-manufacturing sector total	126 (83)	63 (42)	40 (26)	23 (15)	10 (7)	15 (10)	1 (1)	9 (6)	5 (3)
Total		269 (74)	126 (35)	84 (23)	59 (16)	32 (9)	63 (17)	22 (6)	18 (5)	23 (6)

(Table 2-3) Sales forecast in 2013 (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%	
Manufacturing	Food	9 (75)	3 (25)	2 (17)	4 (33)	2 (17)	1 (8)	0 (0)	0 (0)	1 (8)
	Textile	10 (71)	2 (14)	4 (29)	4 (29)	3 (21)	1 (7)	1 (7)	0 (0)	0 (0)
	Chemical	21 (70)	3 (10)	9 (30)	9 (30)	4 (13)	5 (17)	3 (10)	2 (7)	0 (0)
	Steel/Non-ferrous metal	16 (80)	3 (15)	4 (20)	9 (45)	1 (5)	3 (15)	3 (15)	0 (0)	0 (0)
	General machinery	8 (100)	2 (25)	3 (38)	3 (38)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)
	Electrical/Electronic machinery	31 (70)	10 (23)	7 (16)	14 (32)	5 (11)	8 (18)	5 (11)	3 (7)	0 (0)
	Transportation machinery	35 (80)	7 (16)	9 (20)	19 (43)	6 (14)	3 (7)	2 (5)	1 (2)	0 (0)
	Others	31 (79)	5 (13)	16 (41)	10 (26)	4 (10)	4 (10)	1 (3)	2 (5)	1 (3)
Manufacturing sector total		161 (76)	35 (17)	54 (26)	72 (34)	25 (12)	25 (12)	15 (7)	8 (4)	2 (1)
Non-manufacturing	Trading	44 (80)	14 (25)	14 (25)	16 (29)	6 (11)	5 (9)	1 (2)	1 (2)	3 (5)
	Retailer	9 (75)	4 (33)	1 (8)	4 (33)	2 (17)	1 (8)	0 (0)	0 (0)	1 (8)
	Finance/Insurance/Securities	13 (93)	2 (14)	4 (29)	7 (50)	1 (7)	0 (0)	0 (0)	0 (0)	0 (0)
	Construction/Civil engineering	8 (44)	2 (11)	4 (22)	2 (11)	4 (22)	6 (33)	2 (11)	3 (17)	1 (6)
	Transportation/Communication	23 (77)	1 (3)	11 (37)	11 (37)	5 (17)	2 (7)	1 (3)	0 (0)	1 (3)
	Others	17 (71)	11 (46)	5 (21)	1 (4)	3 (13)	4 (17)	1 (4)	1 (4)	2 (8)
	Non-manufacturing sector total	114 (75)	34 (22)	39 (25)	41 (27)	21 (14)	18 (12)	5 (3)	5 (3)	8 (5)
Total		275 (76)	69 (19)	93 (26)	113 (31)	46 (13)	43 (12)	20 (5)	13 (4)	10 (3)

3. PRE-TAX PROFIT/LOSS

Firms reporting a “profit” in their 2012 pre-tax profit/loss accounts were 81%. Firms reporting an “increase” in their net profit (including the case that their loss will diminish or vanish) accounted for 61%, whereas those reporting a “decrease” in their net profit accounted for 25 %. (Table 3-1).

The percentage of firms anticipating a “profit” in their 2013 pre-tax profit/loss was 89%. Firms anticipating an “increase” in their pre-tax profit was 49%, whereas those anticipating a “decrease” in their pre-tax profit was 23%. (Table 3-2).

(Table 3-1) Result of pre-tax profit/loss in 2012 (from the previous year)

		Unit: No. of firms and (%)						
Industry		Profit	Balance	Loss	Total	Profit increase	No change	Profit decrease
Manufacturing	Food	9 (75)	1 (8)	2 (17)	12	4 (33)	0 (0)	8 (67)
	Textile	9 (64)	0 (0)	5 (36)	14	7 (50)	1 (7)	6 (43)
	Chemical	22 (73)	2 (7)	6 (20)	30	16 (53)	5 (17)	9 (30)
	Steel/Non-ferrous metal	15 (75)	1 (5)	4 (20)	20	10 (50)	4 (20)	6 (30)
	General machinery	8 (100)	0 (0)	0 (0)	8	4 (50)	2 (25)	2 (25)
	Electrical/Electronic machinery	29 (62)	5 (11)	13 (28)	47	24 (51)	6 (13)	17 (36)
	Transportation machinery	42 (91)	1 (2)	3 (7)	46	31 (67)	4 (9)	11 (24)
	Others	31 (79)	3 (8)	5 (13)	39	28 (72)	3 (8)	8 (21)
	Manufacturing sector total	165 (76)	13 (6)	38 (18)	216	124 (57)	25 (12)	67 (31)
Non-manufacturing	Trading	42 (84)	3 (6)	5 (10)	50	38 (76)	5 (10)	7 (14)
	Retailer	11 (100)	0 (0)	0 (0)	11	6 (55)	3 (27)	2 (18)
	Finance/Insurance/Securities	13 (93)	1 (7)	0 (0)	14	11 (79)	1 (7)	2 (14)
	Construction/Civil engineering	16 (84)	1 (5)	2 (11)	19	11 (58)	6 (32)	2 (11)
	Transportation/Communication	27 (90)	1 (3)	2 (7)	30	17 (57)	4 (13)	9 (30)
	Others	19 (83)	1 (4)	3 (13)	23	16 (70)	5 (22)	2 (9)
	Non-manufacturing sector total	128 (87)	7 (5)	12 (8)	147	99 (67)	24 (16)	24 (16)
Total		293 (81)	20 (6)	50 (14)	363	223 (61)	49 (13)	91 (25)

(Note)

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

(Table 3-2) Forecast for pre-tax profit/loss in 2013 (from the previous year)

		Unit: No. of firms and (%)						
Industry		Profit	Balance	Loss	Total	Profit increase	No change	Profit decrease
Manufacturing	Food	11 (92)	0 (0)	1 (8)	12	6 (50)	4 (33)	2 (17)
	Textile	12 (92)	0 (0)	1 (8)	13	6 (46)	5 (38)	2 (15)
	Chemical	26 (87)	2 (7)	2 (7)	30	15 (50)	7 (23)	8 (27)
	Steel/Non-ferrous metal	19 (90)	1 (5)	1 (5)	21	14 (67)	4 (19)	3 (14)
	General machinery	8 (100)	0 (0)	0 (0)	8	3 (38)	4 (50)	1 (13)
	Electrical/Electronic machinery	38 (81)	5 (11)	4 (9)	47	23 (49)	9 (19)	15 (32)
	Transportation machinery	44 (96)	2 (4)	0 (0)	46	15 (33)	19 (41)	12 (26)
	Others	33 (85)	4 (10)	2 (5)	39	20 (51)	9 (23)	10 (26)
	Manufacturing sector total	191 (88)	14 (6)	11 (5)	216	102 (47)	61 (28)	53 (25)
Non-manufacturing	Trading	44 (85)	5 (10)	3 (6)	52	28 (54)	13 (25)	11 (21)
	Retailer	12 (100)	0 (0)	0 (0)	12	7 (58)	3 (25)	2 (17)
	Finance/Insurance/Securities	14 (100)	0 (0)	0 (0)	14	9 (64)	5 (36)	0 (0)
	Construction/Civil engineering	16 (84)	2 (11)	1 (5)	19	6 (32)	5 (26)	8 (42)
	Transportation/Communication	28 (93)	1 (3)	1 (3)	30	14 (47)	10 (33)	6 (20)
	Others	20 (87)	2 (9)	1 (4)	23	12 (52)	6 (26)	5 (22)
	Non-manufacturing sector total	134 (89)	10 (7)	6 (4)	150	76 (51)	42 (28)	32 (21)
Total		325 (89)	24 (7)	17 (5)	366	178 (49)	103 (28)	85 (23)

(Note) See table 3-1.

4. CAPITAL INVESTMENT (MANUFACTURING SECTOR)

The amount of planned capital investment (in the manufacturing sector) in 2013 is expected to decrease by 50.0% from 2012 (The total number of responding firms was 214). The percentage of firms reporting an “increase” was 20% of the total and firms reporting a “decrease” was 31%. (Table 4-1).

The predominant reason for capital investment was “replacement” and “new” both in 2012 and 2013, while firms responding with “flood recovery” were 6%, a decrease by 20% from 2012. (Table 4-2 and Table 4-3).

(Table 4-1) Planned capital investment plan in 2012 and 2013 (manufacturing sector)

(million baht, and (%))

Industry	2012	2013		No. of firms					Total
	Amount	Amount	Increase %	Increase	No change	Decrease	Undecided		
Food	19,153	7,896	▲ 58.8	2 (17)	4 (33)	5 (42)	1 (8)	12	
Textile	5,129	3,462	▲ 32.5	1 (7)	6 (43)	3 (21)	4 (29)	14	
Chemical	8,793	5,438	▲ 38.2	8 (27)	9 (30)	9 (30)	4 (13)	30	
Steel/Non-ferrous metal	4,402	3,689	▲ 16.2	8 (38)	8 (38)	4 (19)	1 (5)	21	
General machinery	610	365	▲ 40.2	1 (13)	5 (63)	2 (25)	0 (0)	8	
Electrical/Electronic machinery	30,327	18,476	▲ 39.1	4 (9)	18 (39)	18 (39)	6 (13)	46	
Transportation machinery	37,598	37,623	0.1	15 (33)	19 (41)	10 (22)	2 (4)	46	
Others	81,521	16,847	▲ 79.3	3 (8)	14 (38)	15 (41)	5 (14)	37	
Manufacturing sector total	187,533	93,796	▲ 50.0	42 (20)	83 (39)	66 (31)	23 (11)	214	

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

(Table 4-2) Details of actual capital investment in 2012 (check all that apply)

Unit: No. of firms and (%)

Industry	New	Expansion	Replacement	Streamlining	Flood recovery	Others	Total	Response
Food	7 (58)	5 (42)	5 (42)	6 (50)	4 (33)	0 (0)	27	12
Textile	7 (50)	4 (29)	9 (64)	4 (29)	5 (36)	0 (0)	29	14
Chemical	8 (30)	11 (41)	12 (44)	8 (30)	3 (11)	2 (7)	44	27
Steel/Non-ferrous metal	4 (20)	5 (25)	13 (65)	4 (20)	1 (5)	0 (0)	27	20
General machinery	4 (57)	4 (57)	1 (14)	1 (14)	0 (0)	0 (0)	10	7
Electrical/Electronic machinery	15 (33)	15 (33)	18 (39)	13 (28)	17 (37)	2 (4)	80	46
Transportation machinery	24 (52)	26 (57)	20 (43)	11 (24)	4 (9)	3 (7)	88	46
Others	8 (26)	13 (42)	10 (32)	7 (23)	7 (23)	1 (3)	46	31
Manufacturing sector total	77 (38)	83 (41)	88 (43)	54 (27)	41 (20)	8 (4)	351	203

(Table 4-3) Details on planned capital investment in 2013 (check all that apply)

Unit: No. of firms and (%)

Industry	New	Expansion	Replacement	Streamlining	Flood recovery	Others	Total	Response
Food	3 (25)	4 (33)	5 (42)	9 (75)	2 (17)	0 (0)	23	12
Textile	8 (57)	7 (50)	9 (64)	4 (29)	1 (7)	1 (7)	30	14
Chemical	6 (21)	8 (29)	16 (57)	12 (43)	0 (0)	1 (4)	43	28
Steel/Non-ferrous metal	8 (38)	9 (43)	9 (43)	3 (14)	0 (0)	1 (5)	30	21
General machinery	1 (14)	4 (57)	2 (29)	2 (29)	0 (0)	0 (0)	9	7
Electrical/Electronic machinery	17 (38)	18 (40)	22 (49)	17 (38)	9 (20)	2 (4)	85	45
Transportation machinery	29 (63)	22 (48)	22 (48)	12 (26)	1 (2)	2 (4)	88	46
Others	7 (21)	10 (30)	16 (48)	12 (36)	0 (0)	1 (3)	46	33
Manufacturing sector total	79 (38)	82 (40)	101 (49)	71 (34)	13 (6)	8 (4)	354	206

5. EXPORT TREND

The percentage of firms reporting an “increase” in their exports accounted for 36% in the second half of 2012 and 37% in the full year of 2012 and exceeding the “decrease” in both terms. The percentage of firms reporting an “increase” in their exports accounted for 48% in the first half of 2013. (Table 5-1, Table 5-2, Table 5-3).

(Table 5-1) Exports in 2012 (second half)

Table 1-7 Exports in 1992 (continued)

Unit: No. of firms and (%)

Industry	Increase				No Change	Decrease				Total
		More than 20%	10~20%	Less than 10%			Less than 10%	10~20%	More than 20%	
Food	4 (33)	1 (8)	1 (8)	2 (17)	3 (25)	5 (42)	2 (17)	1 (8)	2 (17)	12
Textile	4 (29)	1 (7)	1 (7)	2 (14)	6 (43)	4 (29)	3 (21)	1 (7)	0 (0)	14
Chemical	8 (28)	1 (3)	4 (14)	3 (10)	14 (48)	7 (24)	2 (7)	4 (14)	1 (3)	29
Steel/Non-ferrous metal	4 (21)	1 (5)	2 (11)	1 (5)	14 (74)	1 (5)	0 (0)	1 (5)	0 (0)	19
General machinery	4 (50)	2 (25)	1 (13)	1 (13)	3 (38)	1 (13)	1 (13)	0 (0)	0 (0)	8
Electrical/Electronic machinery	23 (50)	12 (26)	7 (15)	4 (9)	11 (24)	12 (26)	2 (4)	2 (4)	8 (17)	46
Transportation machinery	23 (50)	6 (13)	5 (11)	12 (26)	17 (37)	6 (13)	2 (4)	2 (4)	2 (4)	46
Others	12 (38)	4 (13)	4 (13)	4 (13)	9 (28)	11 (34)	5 (16)	5 (16)	1 (3)	32
Manufacturing sector total	82 (40)	28 (14)	25 (12)	29 (14)	77 (37)	47 (23)	17 (8)	16 (8)	14 (7)	206
Trading	10 (22)	3 (7)	4 (9)	3 (7)	34 (74)	2 (4)	1 (2)	1 (2)	0 (0)	46
Retailer	1 (33)	1 (33)	0 (0)	0 (0)	2 (67)	0 (0)	0 (0)	0 (0)	0 (0)	3
Construction	1 (50)	0 (0)	0 (0)	1 (50)	1 (50)	0 (0)	0 (0)	0 (0)	0 (0)	2
Others	0 (0)	0 (0)	0 (0)	0 (0)	1 (100)	0 (0)	0 (0)	0 (0)	0 (0)	1
Non-manufacturing sector total	12 (23)	4 (8)	4 (8)	4 (8)	38 (73)	2 (4)	1 (2)	1 (2)	0 (0)	52
Total	94 (36)	32 (12)	29 (11)	33 (13)	115 (45)	49 (19)	18 (7)	17 (7)	14 (5)	258

(Table 5-2) Exports in 2012 (Full year)

Table 5-2 Exports in 2012 (Full year)

Unit: No. of firms and (%)

Industry	Increase					No Change	Decrease				Total
		More than 20%	10~20%	Less than 10%			Less than 10%	10~20%	More than 20%		
Food	4 (33)	1 (8)	1 (8)	2 (17)	3 (25)	5 (42)	1 (8)	2 (17)	2 (17)	12	
Textile	4 (29)	1 (7)	1 (7)	2 (14)	3 (21)	7 (50)	4 (29)	2 (14)	1 (7)	14	
Chemical	10 (34)	1 (3)	3 (10)	6 (21)	13 (45)	6 (21)	2 (7)	4 (14)	0 (0)	29	
Steel/Non-ferrous metal	4 (21)	1 (5)	1 (5)	2 (11)	13 (68)	2 (11)	2 (11)	0 (0)	0 (0)	19	
General machinery	3 (38)	1 (13)	0 (0)	2 (25)	4 (50)	1 (13)	1 (13)	0 (0)	0 (0)	8	
Electrical/Electronic machinery	21 (46)	7 (15)	8 (17)	6 (13)	12 (26)	13 (28)	3 (7)	1 (2)	9 (20)	46	
Transportation machinery	23 (51)	6 (13)	4 (9)	13 (29)	13 (29)	9 (20)	6 (13)	1 (2)	2 (4)	45	
Others	13 (39)	4 (12)	5 (15)	4 (12)	8 (24)	12 (36)	7 (21)	2 (6)	3 (9)	33	
Manufacturing sector total	82 (40)	22 (11)	23 (11)	37 (18)	69 (33)	55 (27)	26 (13)	12 (6)	17 (8)	206	
Trading	12 (26)	1 (2)	5 (11)	6 (13)	32 (70)	2 (4)	1 (2)	1 (2)	0 (0)	46	
Retailer	0 (0)	0 (0)	0 (0)	0 (0)	3 (100)	0 (0)	0 (0)	0 (0)	0 (0)	3	
Construction	1 (50)	0 (0)	0 (0)	1 (50)	1 (50)	0 (0)	0 (0)	0 (0)	0 (0)	2	
Others	0 (0)	0 (0)	0 (0)	0 (0)	1 (100)	0 (0)	0 (0)	0 (0)	0 (0)	1	
Non-manufacturing sector total	13 (25)	1 (2)	5 (10)	7 (13)	37 (71)	2 (4)	1 (2)	1 (2)	0 (0)	52	
Total	95 (37)	23 (9)	28 (11)	44 (17)	106 (41)	57 (22)	27 (10)	13 (5)	17 (7)	258	

(Table 5-3) Export in 2013 (the first half)

Table 1.7 Export in 2005 (million dollar)

Unit: No. of firms and (%)

Industry	Increase				No Change	Decrease				Total
		More than 20%	10~20%	Less than 10%			Less than 10%	10~20%	More than 20%	
Food	7 (64)	2 (18)	2 (18)	3 (27)	3 (27)	1 (9)	1 (9)	0 (0)	0 (0)	11
Textile	6 (43)	1 (7)	2 (14)	3 (21)	5 (36)	3 (21)	3 (21)	0 (0)	0 (0)	14
Chemical	12 (41)	2 (7)	3 (10)	7 (24)	12 (41)	5 (17)	2 (7)	3 (10)	0 (0)	29
Steel/Non-ferrous metal	7 (35)	1 (5)	2 (10)	4 (20)	12 (60)	1 (5)	0 (0)	1 (5)	0 (0)	20
General machinery	2 (29)	1 (14)	1 (14)	0 (0)	4 (57)	1 (14)	1 (14)	0 (0)	0 (0)	7
Electrical/Electronic machinery	30 (65)	7 (15)	6 (13)	17 (37)	7 (15)	9 (20)	4 (9)	4 (9)	1 (2)	46
Transportation machinery	23 (51)	2 (4)	7 (16)	14 (31)	17 (38)	5 (11)	2 (4)	2 (4)	1 (2)	45
Others	18 (55)	4 (12)	5 (15)	9 (27)	10 (30)	5 (15)	1 (3)	1 (3)	3 (9)	33
Manufacturing sector total	105 (51)	20 (10)	28 (14)	57 (28)	70 (34)	30 (15)	14 (7)	11 (5)	5 (2)	205
Trading	18 (38)	3 (6)	8 (17)	7 (15)	29 (60)	1 (2)	0 (0)	1 (2)	0 (0)	48
Retailer	0 (0)	0 (0)	0 (0)	0 (0)	3 (100)	0 (0)	0 (0)	0 (0)	0 (0)	3
Construction	1 (50)	0 (0)	0 (0)	1 (50)	1 (50)	0 (0)	0 (0)	0 (0)	0 (0)	2
Others	0 (0)	0 (0)	0 (0)	0 (0)	1 (100)	0 (0)	0 (0)	0 (0)	0 (0)	1
Non-manufacturing sector total	19 (35)	3 (6)	8 (15)	8 (15)	34 (63)	1 (2)	0 (0)	1 (2)	0 (0)	54
Total	124 (48)	23 (9)	36 (14)	65 (25)	104 (40)	31 (12)	14 (5)	12 (5)	5 (2)	259

6. PROSPECTIVE FUTURE MARKETS

For the prospective future markets (check all that apply), the predominant response was “Indonesia” (50%) followed by “Vietnam” (34%), “Myanmar” (33%), and “India” (31%).

Ranking for “Cambodia” and “Laos” improved, indicating high expectations for the Mekong region’s future. (Table 6).

(Table 6) Prospective future markets (check all that apply)

Unit: No. of firms and (%)

Industry	Indonesia	Vietnam	Myanmar	India	Japan	Cambodia	Malaysia	China	Laos	USA	Europe	Middle East	Singapore	Philippines	Latin America	Oceania	Others	Total	No. of firms
Manufacturing																			
Food	3 (25)	5 (42)	3 (25)	2 (17)	5 (42)	2 (17)	4 (33)	1 (8)	0 (0)	3 (25)	3 (25)	0 (0)	2 (17)	1 (8)	0 (0)	2 (17)	0 (0)	31	12
Textile	5 (36)	8 (57)	4 (29)	4 (29)	5 (36)	4 (29)	4 (29)	5 (36)	1 (7)	1 (7)	3 (21)	1 (7)	3 (21)	0 (0)	1 (7)	1 (7)	0 (0)	47	14
Chemical	15 (54)	12 (43)	10 (36)	13 (46)	3 (11)	4 (14)	5 (18)	2 (7)	3 (11)	4 (14)	5 (18)	4 (14)	1 (4)	2 (7)	1 (4)	3 (11)	1 (4)	78	28
Steel/Non-ferrous metal	9 (43)	8 (38)	5 (24)	7 (33)	4 (19)	1 (5)	0 (0)	0 (0)	2 (10)	0 (0)	0 (0)	3 (14)	2 (10)	0 (0)	0 (0)	1 (5)	3 (14)	42	21
General machinery	5 (63)	4 (50)	1 (13)	0 (0)	3 (38)	1 (13)	1 (13)	2 (25)	1 (13)	0 (0)	0 (0)	1 (13)	0 (0)	0 (0)	1 (13)	0 (0)	0 (0)	19	8
Electrical/Electronic machinery	28 (62)	15 (33)	25 (56)	11 (24)	10 (22)	11 (24)	10 (22)	9 (20)	8 (18)	8 (18)	6 (13)	8 (18)	7 (16)	8 (18)	3 (7)	1 (2)	2 (4)	153	45
Transportation machinery	33 (72)	10 (22)	7 (15)	19 (41)	10 (22)	5 (11)	7 (15)	5 (11)	3 (7)	4 (9)	4 (9)	3 (7)	0 (0)	5 (11)	3 (7)	1 (2)	2 (4)	113	46
Others	9 (26)	10 (29)	8 (23)	13 (37)	12 (34)	7 (20)	9 (26)	5 (14)	5 (14)	8 (23)	3 (9)	3 (9)	2 (6)	1 (3)	4 (11)	2 (6)	0 (0)	86	35
Manufacturing sector total	107 (51)	72 (34)	63 (30)	69 (33)	52 (25)	35 (17)	40 (19)	29 (14)	23 (11)	28 (13)	24 (11)	23 (11)	17 (8)	17 (8)	13 (6)	11 (5)	8 (4)	569	209
Non-manufacturing																			
Trading	22 (48)	14 (30)	15 (33)	12 (26)	19 (41)	9 (20)	3 (7)	11 (24)	6 (13)	4 (9)	2 (4)	0 (0)	6 (13)	1 (2)	0 (0)	1 (2)	3 (7)	117	46
Retailer	0 (0)	2 (67)	3 (100)	0 (0)	0 (0)	2 (67)	0 (0)	0 (0)	1 (33)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	7	3
Construction/Civil engineering	1 (33)	2 (67)	2 (67)	1 (33)	0 (0)	2 (67)	0 (0)	0 (0)	1 (33)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	8	3
Others	3 (50)	2 (33)	5 (83)	0 (0)	0 (0)	3 (50)	0 (0)	0 (0)	2 (33)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	13	6
Non-manufacturing sector total	26 (45)	20 (34)	25 (43)	13 (22)	19 (33)	16 (28)	3 (5)	11 (19)	10 (17)	4 (7)	2 (3)	0 (0)	6 (10)	1 (2)	0 (0)	1 (2)	3 (5)	145	58
Total	133 (50)	92 (34)	88 (33)	82 (31)	71 (27)	51 (19)	43 (16)	40 (15)	33 (12)	32 (12)	26 (10)	23 (9)	23 (9)	18 (7)	13 (5)	12 (4)	11 (4)	714	267
This time	1	2	3	4	5	6	7	8	9	10	11	12	12	14	15	16	-		
Previous time	1	2	5	3	4	7	8	6	10	13	11	9	11	14	15	16	-		
Last but one time	2	4	6	3	1	10	8	5	12	7	11	12	8	16	14	15	-		

(Note) Europe includes Russia

(Ref) Responses from the Mekong region

Unit: No. of firms

	One before previous	Previous	This time
Total No. of firms for Cambodia, Laos, Myanmar, Vietnam	134	174	223
Total No. of responses	699	670	714
Percentage of responses (%)	19	26	31

7. EXCHANGE RATES USED IN BUSINESS PLANS

(1) Thai baht / US dollar

With reference to the exchange rate used in business plans (Thai baht / US dollar), the predominant response was “A range between not less than 31.0 but less than 31.5(28.2%) followed by “Not less than 30.0 but less than 30.5” (25.4%). (Table 7-1).

(Table 7-1) Exchange rates used in business plans (Thai baht / US dollar)

Industry Thai baht / US dollar	Manufacturing									Non-manufacturing				Grand total
	Food	Textile	Chemical	Steel/Non-ferrous metal	General machinery	Electrical/electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retailer	Others	Non-manufacturing sector total	
Not less than 29.0 but less than 29.5	0	0	0	0	0	1	0	0	1	0	0	0	0	1 (0.5)
Not less than 29.5 but less than 30.0	0	0	0	0	0	0	0	0	0	1	0	0	1	1 (0.5)
Not less than 30.0 but less than 30.5	1	5	5	2	0	9	9	10	41	12	0	0	12	53 (25.4)
Not less than 30.5 but less than 31.0	4	2	6	5	1	9	10	4	41	7	0	0	7	48 (23.0)
Not less than 31.0 but less than 31.5	1	3	8	6	0	15	7	7	47	12	0	0	12	59 (28.2)
Not less than 31.5 but less than 32.0	1	2	3	2	0	1	2	3	14	1	0	1	2	16 (7.7)
Not less than 32.0 but less than 32.5	2	0	1	1	1	5	2	2	14	2	0	2	4	18 (8.6)
Not less than 32.5 but less than 33.0	0	0	0	0	0	1	1	0	2	0	0	0	0	2 (1.0)
Not less than 33.0 but less than 33.5	0	0	0	2	1	0	0	1	4	0	0	0	0	4 (1.9)
Not less than 33.5 but less than 34.0	0	0	0	0	0	0	1	0	1	0	0	0	0	1 (0.5)
Not less than 34.0 but less than 34.5	0	0	0	0	0	0	0	1	1	0	0	0	0	1 (0.5)
Not less than 34.5 but less than 35.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0 (0.0)
Not less than 35.0 but less than 35.5	0	0	0	0	0	0	0	1	1	0	0	0	0	1 (0.5)
Not less than 35.5 but less than 36.0	0	0	0	0	0	0	1	0	1	1	0	0	1	2 (1.0)
Not less than 36.0 but less than 36.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0 (0.0)
Not less than 36.5 but less than 37.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0 (0.0)
Not less than 37.0 but less than 37.5	0	0	0	0	0	1	0	0	1	0	0	0	0	1 (0.5)
Not less than 37.5 but less than 38.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0 (0.0)
Not less than 38.0 but less than 38.5	0	0	0	0	0	0	0	0	0	1	0	0	1	1 (0.5)
No. of firms	9	12	23	18	3	42	33	29	169	37	0	3	40	209

Average	30.99	30.59	30.80	31.16	31.83	30.32	30.99	31.06	30.81	30.98	-	31.93	31.05	30.86
Median	30.70	30.50	31.00	31.00	32.00	31.00	30.60	31.00	31.00	30.77	-	32.00	30.98	31.00
Mode	30.70	30.00	31.00	31.00	#N/A	31.00	30.00	30.00	31.00	30.00	-	32.00	30.00	31.00

(Note) The median indicates the value located at the center of distribution excluding deviation due to the number of respondents or the lowest/highest value as much as possible. The mode indicates the value that has the largest number of respondents. If there is more than one value that has the largest number of respondents, “#N/A” (not applicable) is entered.

Previous survey Industry Baht/US Dollar	Manufacturing									Non-manufacturing				Grand total
	Food	Textile	Chemical	Steel/Non-ferrous metal	General machinery	Electrical/Electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retailer	Others	Non-manufacturing sector total	
Average	30.52	30.72	30.63	29.32	30.85	30.76	31.01	30.77	30.62	30.87	31.00	31.00	30.90	30.68
Median	30.50	31.00	30.00	31.00	30.80	30.80	31.00	31.00	31.00	31.00	31.00	31.01	31.00	31.00
Mode	30.00	31.00	30.00	31.00	#N/A	30.00	31.00	31.00	30.00	30.00	#N/A	32.00	30.00	30.00

(2) Japanese yen / Thai baht

With reference to the exchange rate used in business plans (Japanese yen / Thai baht), the predominant response was “Not less than 2.6 but less than 2.7” (41.2%), followed by “Not less than 2.5 but less than 2.6” (37.4%). (Table 7-2).

(Table 7-2) Exchange rate used in business plans (Japanese yen / Thai baht)

Unit: Thai baht / Japanese Yen, No. of firms and (%)

Industry Thai baht / US dollar	Manufacturing									Non-manufacturing				Grand total
	Food	Textile	Chemical	Steel/Non-ferrous metal	General machinery	Electrical/Electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retailer	Others	Non-manufacturing sector total	
Not less than 2.1 but less than 2.2	0	0	0	0	0	0	0	0	0	0	0	0	0	0 (0.0)
Not less than 2.2 but less than 2.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0 (0.0)
Not less than 2.3 but less than 2.4	0	0	0	0	0	2	0	0	2	0	0	0	0	2 (0.9)
Not less than 2.4 but less than 2.5	0	0	1	2	1	5	3	1	13	2	0	0	2	15 (7.1)
Not less than 2.5 but less than 2.6	3	3	9	4	2	16	11	10	58	16	0	5	21	79 (37.4)
Not less than 2.6 but less than 2.7	1	5	8	8	2	13	17	13	67	20	0	0	20	87 (41.2)
Not less than 2.7 but less than 2.8	6	2	6	2	0	2	4	4	26	7	1	2	10	36 (17.1)
Not less than 2.8 but less than 2.9	0	1	0	0	0	0	1	3	5	0	0	0	0	5 (2.4)
Not less than 2.9 but less than 3.0	0	0	0	0	0	0	1	0	1	0	0	0	0	1 (0.5)
Not less than 3.0 but less than 3.1	0	0	0	0	0	1	0	0	1	1	0	0	1	2 (0.9)
Not less than 3.1 but less than 3.2	0	0	0	0	0	0	0	0	0	0	0	0	0	0 (0.0)
Not less than 3.2 but less than 3.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0 (0.0)
Not less than 3.3 but less than 3.4	0	0	0	0	0	0	0	0	0	0	0	0	0	0 (0.0)
Not less than 3.4 but less than 3.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0 (0.0)
Not less than 3.5 but less than 3.6	0	0	0	0	0	1	0	0	1	0	0	0	0	1 (0.5)
No. of firms	10	11	23	14	4	33	34	30	159	44	1	7	52	211
Average	2.64	2.62	2.59	2.57	2.53	2.57	2.60	2.61	2.59	2.59	2.75	2.56	2.59	2.59
Median	2.70	2.60	2.60	2.60	2.50	2.51	2.60	2.60	2.60	2.60	2.75	2.50	2.60	2.60
Mode	2.70	2.60	2.50	2.60	2.60	2.50	2.60	2.60	2.60	2.60	#N/A	2.50	2.50	2.60

(Note) The median indicates the value located at the center of distribution excluding deviation due to the number of respondents or the lowest/ highest value as much as possible. The mode indicates the value that has the largest number of respondents. If there is more than one value that has the largest number of respondents, “#N/A” (not applicable) is entered.

(At the time of the previous survey)

Unit: Japanese yen / Thai baht, No. of firms and (%)

Industry Baht/US Dollar	Manufacturing									Non-manufacturing				Grand total
	Food	Textile	Chemical	Steel/Non-ferrous metal	General machinery	Electrical/Electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retailer	Others	Non-manufacturing sector total	
Average	2.60	2.60	2.58	2.55	2.53	2.56	2.57	2.62	2.58	2.54	2.63	2.55	2.55	2.57
Median	2.60	2.60	2.58	2.60	2.50	2.50	2.54	2.60	2.60	2.50	2.63	2.50	2.50	2.56
Mode	2.50	2.60	2.50	2.60	2.60	2.50	2.50	2.60	2.50	2.50	#N/A	2.50	2.50	2.50

8. PROCUREMENT SOURCE OF PARTS/ MATERIALS

The ratio of procurement sources in 2012 (simple average of respondents) was 60.7% for ASEAN, including 46.8% for Thailand. (Table 8-1).

Regarding the ratio of planned procurement sources in 2013, the percentage for Japan declined from 2012 and the percentage for ASEAN including Thailand is expected to rise. (Table 8-2)

(Table 8-1) Suppliers of parts and materials in 2012

Unit: %

Industry		ASEAN			Japan	China	Others	Total	No. of firms
		Thailand	ASEAN						
Manufacturing sector	Food	76.5	74.6	1.9	8.5	5.3	9.6	100.0	11
	Textile	68.4	60.3	8.1	9.4	8.0	14.3	100.0	14
	Chemical	57.1	41.8	15.3	31.9	3.3	7.6	100.0	29
	Steel/Non-ferrous metal	29.8	20.8	9.0	51.7	8.6	9.9	100.0	19
	General machinery	48.6	44.9	3.8	48.5	2.9	0.0	100.0	8
	Electrical/Electronic machinery	54.3	46.6	7.7	32.0	8.9	4.7	100.0	44
	Transportation machinery	55.5	50.7	4.8	39.7	2.2	2.7	100.0	46
	Others	61.3	55.0	6.3	23.4	2.4	12.8	100.0	33
Manufacturing average		56.4	49.3	7.1	30.7	5.2	7.7	100.0	204
Non-manufacturing	Trading	59.3	43.8	15.5	34.3	4.4	2.0	100.0	47
	Retailer	53.3	53.3	0.0	36.7	10.0	0.0	100.0	3
	Construction	67.5	50.0	17.5	22.5	10.0	0.0	100.0	2
	Others	80.0	30.0	50.0	20.0	0.0	0.0	100.0	2
	Non-manufacturing average	65.0	44.3	20.7	28.4	6.1	0.5	100.0	54
Total		60.7	46.8	13.9	29.5	5.7	4.1	100.0	258

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

(Table 8-2) Planned suppliers of parts and materials in 2013

Unit: %

Industry		ASEAN			Japan	China	Others	Total	No. of firms
		Thailand	ASEAN						
Manufacturing sector	Food	77.0	75.1	1.9	8.5	5.3	9.2	100.0	11
	Textile	70.5	61.3	9.2	6.9	8.8	13.7	100.0	13
	Chemical	60.2	46.6	13.6	30.7	3.7	5.4	100.0	26
	Steel/Non-ferrous metal	30.4	20.9	9.5	50.1	6.3	13.2	100.0	18
	General machinery	52.0	47.7	4.3	46.0	2.0	0.0	100.0	7
	Electrical/Electronic machinery	58.3	50.9	7.3	28.3	9.7	3.7	100.0	43
	Transportation machinery	58.0	53.1	4.9	37.0	2.1	2.9	100.0	46
	Others	63.6	57.2	6.4	20.8	2.4	13.2	100.0	33
Manufacturing average		58.7	51.6	7.2	28.6	5.0	7.7	100.0	197
Non-manufacturing	Trading	61.1	44.6	16.5	30.9	5.1	2.8	100.0	46
	Retailer	53.3	53.3	0.0	36.7	10.0	0.0	100.0	3
	Construction	67.5	50.0	17.5	22.5	10.0	0.0	100.0	2
	Others	90.0	40.0	50.0	10.0	0.0	0.0	100.0	2
	Non-manufacturing average	68.0	47.0	21.0	25.0	6.3	0.7	100.0	53
Total		63.4	49.3	14.1	26.8	5.7	4.2	100.0	250

(Note) See Table 8-1.

9. PROBLEMS WITH CORPORATE MANAGEMENT

Regarding problems with corporate management (check all that apply), the predominant response by the manufacturing sector was “Excessive competition with competitors ” (63%), followed by “Increase of total labor cost” (55%) and “Lack of human resources at manager-level” (53%), and the predominant response in the manufacturing sector was “Increase of total labor cost” (62%). (Table 9).

(Table 9) Problems with corporate management (check all that apply)

Previous ranking Ranking this time			Manufacturing										Non-manufacturing							Grand total
			Food	Textile	Chemical	Steel/Non-ferrous metal	General machinery	Electrical/Electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retailer	Finance/ insurance	Construction/ civil engineering	Transportation/ communication	Others	Non-manufacturing sector total		
2	1	Excessive competition with competitors	3 (25)	8 (57)	21 (72)	12 (52)	5 (63)	35 (73)	29 (62)	21 (53)	134 (61)	32 (60)	8 (67)	12 (80)	13 (100)	20 (67)	13 (52)	98 (66)	232 (63)	
1	2	Increase of total labor cost	9 (75)	9 (64)	13 (45)	10 (43)	5 (63)	30 (63)	34 (72)	27 (68)	137 (62)	16 (30)	6 (50)	6 (40)	9 (69)	22 (73)	8 (32)	67 (45)	204 (55)	
3	3	Lack of human resources at manager-level	5 (42)	8 (57)	15 (52)	10 (43)	4 (50)	23 (48)	26 (55)	23 (58)	114 (52)	31 (58)	7 (58)	5 (33)	10 (77)	15 (50)	14 (56)	82 (55)	196 (53)	
4	4	Decreased selling price (price war)	3 (25)	8 (57)	19 (66)	14 (61)	6 (75)	34 (71)	31 (66)	18 (45)	133 (60)	19 (36)	1 (8)	3 (20)	6 (46)	14 (47)	4 (16)	47 (32)	180 (49)	
5	5	Lack of human resources at worker/ staff levels	8 (67)	9 (64)	8 (28)	8 (35)	2 (25)	17 (35)	18 (38)	19 (48)	89 (40)	16 (30)	7 (58)	4 (27)	12 (92)	15 (50)	13 (52)	67 (45)	156 (42)	
6	6	Increased material prices	7 (58)	4 (29)	13 (45)	5 (22)	2 (25)	19 (40)	14 (30)	12 (30)	76 (34)	8 (15)	1 (8)	3 (20)	5 (38)	5 (17)	0 (0)	22 (15)	98 (27)	
8	7	Job hopping by employees	2 (17)	5 (36)	2 (7)	3 (13)	0 (0)	4 (8)	7 (15)	5 (13)	28 (13)	13 (25)	3 (25)	8 (53)	6 (46)	9 (30)	6 (24)	45 (30)	73 (20)	
7	8	Foreign exchange fluctuation	2 (17)	3 (21)	5 (17)	4 (17)	4 (50)	14 (29)	10 (21)	6 (15)	48 (22)	18 (34)	0 (0)	0 (0)	0 (0)	3 (10)	2 (8)	23 (16)	71 (19)	
9	9	Quality management	1 (8)	6 (43)	3 (10)	3 (13)	1 (13)	10 (21)	11 (23)	4 (10)	39 (18)	5 (9)	1 (8)	0 (0)	7 (54)	6 (20)	1 (4)	20 (14)	59 (16)	
10	10	Changes in products/ users' needs	3 (25)	0 (0)	3 (10)	1 (4)	0 (0)	10 (21)	3 (6)	6 (15)	26 (12)	4 (8)	2 (17)	2 (13)	1 (8)	8 (27)	2 (8)	19 (13)	45 (12)	
12	11	Difficulty in collecting money from customers	0 (0)	0 (0)	2 (7)	0 (0)	1 (13)	0 (0)	2 (4)	1 (3)	6 (3)	4 (8)	2 (17)	0 (0)	1 (8)	1 (3)	0 (0)	8 (5)	14 (4)	
11	12	Excessive employment	0 (0)	1 (7)	1 (3)	0 (0)	0 (0)	1 (2)	4 (9)	1 (3)	8 (4)	1 (2)	1 (8)	0 (0)	0 (0)	2 (7)	0 (0)	4 (3)	12 (3)	
13	13	Difficulty in obtaining financial support	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	5 (10)	1 (2)	2 (5)	8 (4)	1 (2)	0 (0)	2 (13)	0 (0)	0 (0)	1 (4)	4 (3)	12 (3)	
14	14	Excessive capital investment	0 (0)	0 (0)	0 (0)	1 (4)	0 (0)	3 (6)	1 (2)	2 (5)	7 (3)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	7 (2)	
15	15	Infringement of intellectual property	1 (8)	1 (7)	0 (0)	0 (0)	0 (0)	0 (0)	1 (2)	0 (0)	3 (1)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	3 (1)	
-	-	Others	1 (8)	0 (0)	4 (14)	0 (0)	1 (13)	0 (0)	0 (0)	0 (0)	6 (3)	1 (2)	1 (8)	0 (0)	0 (0)	1 (3)	1 (4)	4 (3)	10 (3)	
Total			45	62	109	71	31	205	192	147	862	169	40	45	70	121	65	510	1,372	
No. of firms			12	14	29	23	8	48	47	40	221	53	12	15	13	30	25	148	369 (100)	

10. REQUESTS TO THE THAI GOVERNMENT

Regarding requests to the Thai government (check all that apply), the predominant response by the manufacturing sector was “Customs-related systems and their implementation” (51%), followed by “Stability of political situation and security” (43%), “Improvement in education and human resource development” (35%), “Development of infrastructure in the Bangkok metropolitan area” (34%), and “Relaxation of the Foreign Business Act” (45%) and “Issues for work permits and visas” (38%), dominated the non-manufacturing sector. (Table 10).

(Table 10) Requests to the Thai government (check all that apply)

Unit: No. of firms and (%)

Previous ranking	Ranking this time		Manufacturing									Non-manufacturing							Grand total
			Food	Textile	Chemical	Steel/Non-ferrous metal	General machinery	Electrical/Electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retailer	Finance/ Insurance/ Securities	Construction/Civil engineering	Transportation/Communication	Others	Non-manufacturing sector total	
1	1	Customs-related systems and their implementation	6 (50)	5 (36)	17 (59)	14 (58)	5 (71)	27 (57)	29 (63)	15 (38)	118 (54)	36 (65)	5 (42)	2 (13)	5 (26)	15 (50)	9 (38)	72 (46)	190 (51)
7	2	Stability of political situation and security	7 (58)	5 (36)	10 (34)	13 (54)	3 (43)	21 (45)	17 (37)	14 (36)	90 (41)	24 (44)	8 (67)	4 (27)	11 (58)	16 (53)	6 (25)	69 (45)	159 (43)
3	3	Improvement in education and human resource development	3 (25)	6 (43)	8 (28)	8 (33)	0 (0)	23 (49)	20 (43)	18 (46)	86 (39)	13 (24)	5 (42)	9 (60)	4 (21)	10 (33)	4 (17)	45 (29)	131 (35)
5	4	Development of infrastructure in the Bangkok metropolitan area	2 (17)	5 (36)	10 (34)	9 (38)	2 (29)	16 (34)	12 (26)	12 (31)	68 (31)	25 (45)	5 (42)	4 (27)	5 (26)	11 (37)	10 (42)	60 (39)	128 (34)
2	5	Relaxation of the Foreign Business Act	3 (25)	3 (21)	5 (17)	5 (21)	1 (14)	12 (26)	4 (9)	8 (21)	41 (19)	20 (36)	2 (17)	8 (53)	10 (53)	18 (60)	12 (50)	70 (45)	111 (30)
6	6	Implementation of tax-related systems	4 (33)	6 (43)	6 (21)	4 (17)	5 (71)	17 (36)	13 (28)	10 (26)	65 (30)	12 (22)	2 (17)	5 (33)	7 (37)	5 (17)	6 (25)	37 (24)	102 (27)
4	7	Issues for work permits and visas	2 (17)	3 (21)	3 (10)	6 (25)	1 (14)	7 (15)	5 (11)	9 (23)	36 (17)	18 (33)	1 (8)	5 (33)	13 (68)	8 (27)	14 (58)	59 (38)	95 (25)
8	8	Prevention of labor disputes	1 (8)	2 (14)	6 (21)	8 (33)	2 (29)	13 (28)	18 (39)	6 (15)	56 (26)	5 (9)	0 (0)	0 (0)	1 (5)	5 (17)	2 (8)	13 (8)	69 (18)
9	9	Broad-based infrastructure development linking Thailand with neighboring countries	0 (0)	6 (43)	7 (24)	3 (13)	0 (0)	7 (15)	6 (13)	5 (13)	34 (16)	6 (11)	2 (17)	4 (27)	1 (5)	9 (30)	3 (13)	25 (16)	59 (16)
10	10	Promotion of regional operating headquarters function (e.g. ROH, IPC)	0 (0)	1 (7)	0 (0)	0 (0)	0 (0)	4 (9)	4 (9)	1 (3)	10 (5)	2 (4)	0 (0)	4 (27)	0 (0)	4 (13)	2 (8)	12 (8)	22 (6)
11	11	Measures to prevent expansion of any new-type or flu influenza	1 (8)	0 (0)	0 (0)	1 (4)	0 (0)	0 (0)	2 (4)	1 (3)	5 (2)	4 (7)	1 (8)	1 (7)	0 (0)	2 (7)	0 (0)	8 (5)	13 (3)
-	-	Others	1 (8)	0 (0)	4 (14)	2 (8)	1 (14)	4 (9)	0 (0)	3 (8)	15 (7)	4 (7)	0 (0)	1 (7)	2 (11)	1 (3)	0 (0)	8 (5)	23 (6)
Total			30	42	76	73	20	151	130	102	624	169	31	47	59	104	68	478	1,102
No. of firms			12	14	29	24	7	47	46	39	218	55	12	15	19	30	24	155	373 (100)

11. IMPACT OF THE 2011 THAILAND FLOODS

(1) Estimated business scale upon recovery and recovery progress

With reference to estimated scale for business after recovery and recovery progress, the average percentage for all industries was 92.4% of the pre-flood level. Some firms have recovered fully to the pre-flood level, while others are still curtailed drastically. (Table 11-1-a)

As to flood recovery progress, the average percentage for all industries was 92.6% of assumed levels. In the manufacturing industries, recovery is incomplete with some firms achieving a recovery rate of “less than 100%”. (Table 11-1-b)

(Table 11-1-a) Estimated business scale upon recovery (Pre-flood=100%)

Unit: No. of firms and (%)

	Manufacturing									Non-manufacturing							Grand total
	Food	Textile	Chemical	Steel /Non-ferrous metal	General machinery	Electrical/ Electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retailer	Finance/Insurance/ Securities	Construction/ Civil engineering	Transportation/ Communication	Others	Non-manufacturing sector total	
Not less than 0% but less than 25%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Not less than 25% but less than 50%	0	0	0	0	0	2	0	0	2	0	0	0	0	0	0	0	2
Not less than 50% but less than 75%	0	1	1	0	0	4	0	2	8	0	0	0	0	0	0	0	8
Not less than 75% but less than 100%	1	0	0	0	0	3	2	3	9	0	0	0	0	1	0	1	10
100%	3	4	4	1	3	10	6	6	37	2	1	2	4	2	1	12	49
Not less than 1 00%	1	0	0	0	0	0	0	0	1	0	0	0	0	1	0	1	2
No. of firms	5	5	5	1	3	19	8	11	57	2	1	2	4	4	1	14	71
Minimum	95.0	60.0	70.0	100.0	100.0	25.0	75.0	50.0	25.0	100.0	100.0	100.0	100.0	90.0	100.0	90.0	25.0
Maximum	120.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	120.0	100.0	100.0	100.0	100.0	110.0	100.0	110.0	120.0
Average	103.0	92.0	94.0	100.0	100.0	82.9	96.3	88.2	90.5	100.0	100.0	100.0	100.0	100.0	100.0	100.0	92.4

(Note 1) This is only for firms directly affected.

(Note 2) Business scale before the flood is 100%.

(Table 11-1-b) Progress of recovery (assumed complete recovery=100%)

Unit: No. of firms and (%)

Cont. No. of firms and (%)

	Manufacturing									Non-manufacturing								Grand total
	Food	Textile	Chemical	Steel/ Non-ferrous metal	General machinery	Electrical/ Electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retailer	Finance/Insurance/ Securities	Construction/ Civil engineering	Transportation/ Communication	Others	Non-manufacturing sector total		
Not less than 0% but less than 25%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Not less than 25% but less than 50%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Not less than 50% but less than 75%	1	1	0	0	0	6	0	0	8	0	0	0	0	0	0	0	8	
Not less than 75% but less than 100%	3	1	1	0	0	6	0	5	16	0	0	0	0	2	2	4	20	
100%	1	3	4	1	3	6	8	6	32	1	1	2	3	2	0	9	41	
No. of firms	5	5	5	1	3	18	8	11	56	1	1	2	3	4	2	13	69	

Minimum	70.0	60.0	95.0	100.0	100.0	60.0	100.0	80.0	0.0	100.0	100.0	100.0	100.0	90.0	80.0	80.0	60.0
Maximum	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	90.0	100.0	100.0
Average	84.0	91.6	99.0	100.0	100.0	84.2	100.0	95.6	91.8	100.0	100.0	100.0	100.0	95.0	85.0	96.2	92.6

(Note 1) This is only for firms directly affected.

(Note 2) Full recovery against planned business scale after flood (not that before the floods) is 100%.

(2) Flood-related requests to the Thai government

Regarding flood-related requests to the Thai government (check all that apply), the predominant response was “Implementation of flood control measures as planned” (83%), followed by “Speedy and accurate information provision in English” (62%).

40 (56%) out of 71 firms directly affected by the flood responded with “Enhancement of the Catastrophe Insurance Pool (CIP)”. (Table 11-2).

(Table 11-2) Flood-related requests to the Thai government (check all that apply)

Unit: No. of firms and (%)																		
Ranking		Manufacturing									Non-manufacturing							Grand total
		Food	Textile	Chemical	Steel/Non-ferrous metal	General machinery	Electrical/Electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retailer	Finance/ Insurance/Securities	Construction/Civil engineering	Transportation/Communication	Others	Non-manufacturing sector total	
1	Implementation of flood control measures as planned	9 (75)	10 (77)	24 (83)	19 (79)	6 (86)	38 (86)	37 (86)	31 (82)	174 (83)	52 (95)	8 (73)	12 (75)	16 (84)	25 (83)	15 (60)	128 (82)	302 (83)
2	Speedy and accurate information provision in English	2 (17)	7 (54)	20 (69)	17 (71)	3 (43)	32 (73)	25 (58)	19 (50)	125 (60)	38 (69)	6 (55)	10 (63)	12 (63)	23 (77)	14 (56)	103 (66)	228 (62)
3	Enhancement of the Catastrophe Insurance Pool (CIP)	3 (25)	6 (46)	10 (34)	7 (29)	3 (43)	20 (45)	12 (28)	13 (34)	74 (35)	12 (22)	3 (27)	3 (19)	2 (11)	8 (27)	3 (12)	31 (20)	105 (29)
4	Improvement in image of Thailand	1 (8)	1 (8)	3 (10)	2 (8)	2 (29)	5 (11)	5 (12)	5 (13)	24 (11)	9 (16)	1 (9)	4 (25)	4 (21)	3 (10)	5 (20)	26 (17)	50 (14)
5	Early refund of Customs duty	1 (8)	4 (31)	3 (10)	1 (4)	0 (0)	10 (23)	8 (19)	4 (11)	31 (15)	3 (5)	1 (9)	1 (6)	2 (11)	3 (10)	1 (4)	11 (7)	42 (11)
-	Others	1 (8)	1 (8)	0 (0)	1 (4)	0 (0)	2 (5)	1 (2)	1 (3)	7 (3)	1 (2)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (1)	8 (2)
Total		17	29	60	47	14	107	88	73	435	115	19	30	36	62	38	300	735
No. of firms		12	13	29	24	7	44	43	38	210	55	11	16	19	30	25	156	366 (100)

(3) Request for enhancement of the Catastrophe Insurance Pool (CIP)

As to requests for enhancement of the Catastrophe Insurance Pool (CIP) (check all that apply), the predominant responses were “Increase of the insurance cover ratio” and “Reduction of the insurance premium” (both 73%), followed by “Certainty of payment” (50%) and “Relaxation of payment requirement” (42%). (Table 11-3)

(Table 11-3) Request for enhancement of the Catastrophe Insurance Pool (CIP) (Check all that apply)

Unit: No. of firms and (%)																		
Ranking		Manufacturing									Non-manufacturing							Grand total
		Food	Textile	Chemical	Steel/Non-ferrous metal	General machinery	Electrical/Electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retailer	Finance/Insurance/Securities	Construction/Civil engineering	Transportation/Communication	Others	Non-manufacturing sector total	
1	Increase of the insurance cover ratio	2 (67)	5 (83)	6 (60)	5 (71)	2 (67)	13 (65)	8 (67)	12 (92)	53 (72)	9 (75)	2 (67)	3 (100)	2 (100)	6 (75)	2 (67)	24 (77)	77 (73)
2	Reduction of the insurance premium	2 (67)	4 (67)	6 (60)	6 (86)	3 (100)	16 (80)	10 (83)	11 (85)	58 (78)	8 (67)	2 (67)	2 (67)	1 (50)	5 (63)	1 (33)	19 (61)	77 (73)
3	Certainty of payment	1 (33)	4 (67)	3 (30)	4 (57)	3 (100)	10 (50)	5 (42)	7 (54)	37 (50)	5 (42)	1 (33)	2 (67)	1 (50)	5 (63)	1 (33)	15 (48)	52 (50)
4	Relaxation of payment requirement	0 (0)	2 (33)	3 (30)	4 (57)	2 (67)	10 (50)	7 (58)	6 (46)	34 (46)	4 (33)	0 (0)	2 (67)	1 (50)	3 (38)	0 (0)	10 (32)	44 (42)
-	Others	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (8)	1 (1)	0 (0)	0 (0)	1 (33)	0 (0)	0 (0)	0 (0)	1 (3)	2 (2)
Total		5	15	18	19	10	49	30	37	183	26	5	10	5	19	4	69	252
No. of firms		3	6	10	7	3	20	12	13	74	12	3	3	2	8	3	31	105 (100)

(Note) Target firms (105 firms) selected "Request for enhancement of the Catastrophe Insurance Pool (CIP)" in "Flood-related requests to the Thai government"

12. Impact of the minimum wage increase (with effect from January 2013)

(1) Impact of the minimum wage increase

With reference to the impact of the minimum wage increase, the predominant response was “Major impact” (31%), “Limited impact” (48%), “No impact” (17%). In the manufacturing sector, the percentage of the firms responding “Major impact” was high at 39 percent. (Table 12-1)

(Table 12-1) Impact of the minimum wage increase (with effect from January 2013)

Unit: No. of firms and (%)

Industry		Major impact	Limited impact	No impact	Some positive effect	Unknown	No. of firms
Manufacturing	Food	3 (25)	6 (50)	3 (25)	0 (0)	0 (0)	12
	Textile	5 (36)	7 (50)	2 (14)	0 (0)	0 (0)	14
	Chemical	6 (20)	17 (57)	6 (20)	0 (0)	1 (3)	30
	Steel/Non-ferrous metal	6 (25)	11 (46)	5 (21)	0 (0)	2 (8)	24
	General machinery	4 (57)	3 (43)	0 (0)	0 (0)	0 (0)	7
	Electrical/Electronic machinery	21 (45)	18 (38)	6 (13)	0 (0)	2 (4)	47
	Transportation machinery	27 (57)	17 (36)	2 (4)	1 (2)	0 (0)	47
	Others	14 (36)	22 (56)	3 (8)	0 (0)	0 (0)	39
	Manufacturing sector total	86 (39)	101 (46)	27 (12)	1 (0)	5 (2)	220
Non-manufacturing	Trading	7 (13)	32 (57)	15 (27)	1 (2)	1 (2)	56
	Retailer	1 (8)	5 (42)	6 (50)	0 (0)	0 (0)	12
	Finance/Insurance/Securities	1 (6)	7 (44)	6 (38)	0 (0)	2 (13)	16
	Construction/Civil engineering	6 (32)	9 (47)	2 (11)	1 (5)	1 (5)	19
	Transportation/Communication	10 (33)	17 (57)	2 (7)	0 (0)	1 (3)	30
	Others	5 (20)	11 (44)	8 (32)	0 (0)	0 (0)	25
	Non-manufacturing sector total	30 (19)	81 (51)	39 (25)	2 (1)	5 (3)	158
Total		116 (31)	182 (48)	66 (17)	3 (1)	10 (3)	378

※Increase in the minimum wage increase (with effect from January 2013).

Minimum wage (per day) was increased nationwide to 300 Baht, the same level as in the Bangkok metropolitan area, in all 70 provinces of Thailand (excluding seven provinces including the Bangkok metropolitan area), with effect from 1st of January 2013. As a result, the minimum wage was increased by about 35% in Phayao province, where it was the lowest in the country, and the average minimum wage in the 70 provinces rose by about 25%.

(2) Measures against the minimum wage increase

As for measures against the minimum wage increase (check all that apply), the predominant response was “Promotion of mechanization” (49%) followed by “Restraint of recruitment” (26%), “Increase of sale prices” (26%), and “Redundancy” (24%). The answer “No particular measures” was 22%.

By industry, the predominant response was “Increase of sale prices” (58%) in the non-manufacturing sector. (Table 12-2)

(Table 12-2) Measures against the minimum wage increase (w.e.f. January 2013) (Check all that apply)

Ranking		Manufacturing									Non-manufacturing							Grand total
		Food	Textile	Chemical	Steel/Non-ferrous metal	General machinery	Electrical/Electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retailer	Finance/Insurance/Securities	Construction/Civil engineering	Transportation/Communication	Others	Non-manufacturing sector total	
1	Promotion of mechanization	3 (75)	3 (60)	6 (86)	0 (0)	2 (50)	15 (71)	20 (67)	6 (35)	55 (59)	4 (57)	0 (0)	0 (0)	0 (0)	2 (20)	0 (0)	6 (19)	61 (49)
2	Restraint of recruitment	1 (25)	1 (20)	2 (29)	1 (17)	1 (25)	7 (33)	11 (37)	5 (29)	29 (31)	0 (0)	0 (0)	0 (0)	0 (0)	3 (30)	1 (20)	4 (13)	33 (26)
3	Increase of sale prices	1 (25)	1 (20)	1 (14)	1 (17)	1 (25)	2 (10)	3 (10)	5 (29)	15 (16)	2 (29)	1 (100)	0 (0)	4 (57)	7 (70)	4 (80)	18 (58)	33 (26)
4	Redundancy	2 (50)	3 (60)	5 (71)	1 (17)	0 (0)	6 (29)	6 (20)	3 (18)	26 (28)	2 (29)	0 (0)	0 (0)	0 (0)	2 (20)	0 (0)	4 (13)	30 (24)
5	No particular measure	0 (0)	1 (20)	0 (0)	4 (67)	1 (25)	4 (19)	7 (23)	4 (24)	21 (22)	0 (0)	1 (100)	0 (0)	3 (43)	3 (30)	0 (0)	7 (23)	28 (22)
6	Relocation outside Thailand (incl. partial)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	2 (10)	1 (3)	1 (6)	4 (4)	1 (14)	0 (0)	1 (100)	0 (0)	1 (10)	2 (40)	5 (16)	9 (7)
7	Others	1 (25)	0 (0)	0 (0)	0 (0)	1 (25)	2 (10)	4 (13)	3 (18)	11 (12)	0 (0)	0 (0)	0 (0)	1 (14)	1 (10)	2 (40)	4 (13)	15 (12)
Total		8	9	14	7	6	38	52	27	161	9	2	1	8	19	9	48	209
No. of firms		4	5	7	6	4	21	30	17	94	7	1	1	7	10	5	31	125 (100)

(3) Wage growth rate as a result of the minimum wage rise

Wage growth rate as a result of the minimum wage increase averaged 14.9%. (Table 12-3)

(Table 12-3) Wage growth rate as a result of the minimum wage increase (implemented in January 2013)

	Manufacturing									Non-manufacturing							Grand total
	Food	Textile	Chemical	Steel/Non-ferrous metal	General machinery	Electrical/Electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retailer	Finance/Insurance/Securities	Construction/Civil engineering	Transportation/Communication	Others	Non-manufacturing sector total	
Minimum	10.0	10.0	5.0	3.0	5.0	2.0	5.0	1.0	1.0	5.0	-	-	10.0	10.0	5.0	5.0	1.0
Maximum	34.0	17.0	20.0	10.0	25.0	50.0	45.0	30.0	50.0	15.0	-	-	15.0	40.0	5.0	40.0	50.0
Average	20.7	13.8	12.5	6.3	11.2	12.7	18.6	14.8	14.6	10.0	-	-	12.3	22.5	5.0	16.2	14.9
No. of firms	3	4	4	4	5	15	17	9	61	3	0	0	3	6	1	13	74
No. of firms under negotiation/undecided	1	2	3	2	1	6	10	3	28	1	1	0	3	3	1	9	37

(Note) Wage growth at factories, offices located in the provinces by the wage increase in Jan 2013.

13. Human resources development and Labor shortage

(1) Required human resources

As to required human resources (check all that apply), the predominant response was “Manager” (61%), followed by “Engineer” (50%), “Clerical staff/ sales staff” (40%).

By industry, “Engineer” (63%) and “Manager” (57%) occupied the majority in the manufacturing sector, while the non-manufacturing sector was dominated by “Manager” (66%) and “Clerical staff/ sales staff” (55%). (Table 13-1).

(Table 13-1) Required human resources (check all that apply)

Unit: No. of firms and (%)																		
Ranking		Manufacturing									Non-manufacturing							Grand total
		Food	Textile	Chemical	Steel/Non-ferrous metal	General machinery	Electrical/Electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retail	Finance/Securities/Insurance	Construction/Civil engineering	Transportation/Communication	Others	Non-manufacturing sector total	
1	Manager	4 (33)	9 (64)	17 (57)	12 (50)	5 (63)	29 (63)	26 (58)	22 (55)	124 (57)	36 (65)	7 (58)	11 (69)	15 (79)	20 (67)	15 (60)	104 (66)	228 (61)
2	Engineer	3 (25)	7 (50)	13 (43)	17 (71)	4 (50)	37 (80)	33 (73)	24 (60)	138 (63)	20 (36)	2 (17)	1 (6)	15 (79)	4 (13)	7 (28)	49 (31)	187 (50)
3	Clerical staff/ sales staff	2 (17)	3 (21)	10 (33)	12 (50)	2 (25)	11 (24)	14 (31)	12 (30)	66 (30)	34 (62)	5 (42)	13 (81)	4 (21)	16 (53)	14 (56)	86 (55)	152 (40)
4	Worker	8 (67)	8 (57)	8 (27)	9 (38)	1 (13)	17 (37)	19 (42)	17 (43)	87 (40)	3 (5)	2 (17)	1 (6)	2 (11)	12 (40)	2 (8)	22 (14)	109 (29)
5	Group leader	4 (33)	4 (29)	7 (23)	6 (25)	0 (0)	8 (17)	12 (27)	12 (30)	53 (24)	19 (35)	3 (25)	5 (31)	3 (16)	10 (33)	8 (32)	48 (31)	101 (27)
6	Technician	3 (25)	6 (43)	7 (23)	8 (33)	2 (25)	15 (33)	14 (31)	7 (18)	62 (28)	6 (11)	3 (25)	0 (0)	6 (32)	3 (10)	3 (12)	21 (13)	83 (22)
-	Others	1 (8)	1 (7)	2 (7)	0 (0)	2 (25)	4 (9)	0 (0)	0 (0)	10 (5)	2 (4)	1 (8)	0 (0)	0 (0)	2 (7)	3 (12)	8 (5)	18 (5)
Total		25	38	64	64	16	121	118	94	540	120	23	31	45	67	52	338	878
No. of firms		12	14	30	24	8	46	45	40	219	55	12	16	19	30	25	157	376 (100)

(2) Desired job training

As to desired job training (check all that apply), the predominant response was “Training of supervisors” (54%), followed by “Acquisition of basic business knowledge” (38%), and “Higher technical training (for engineers)” (37%).

By industry, “Training of supervisors” (60%) occupied the majority, followed by “Higher technical training (for engineers)” (49%), in the manufacturing sector, while in the non-manufacturing sector “Acquisition of special knowledge” (49%) dominated, followed by “Training of supervisors” and “Acquisition of basic business knowledge” (both 46%). (Table 13-2).

(Table 13-2) Desired job training (check all that apply)

Ranking		Manufacturing									Non-manufacturing							Grand total
		Food	Textile	Chemical	Steel/Non-ferrous metal	General machinery	Electrical/Electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retail	Finance/Securities/Insurance	Construction/Civil engineering	Transportation/Communication	Others	Non-manufacturing sector total	
1	Training of supervisors	4 (33)	10 (71)	15 (54)	10 (43)	4 (50)	34 (74)	31 (67)	22 (56)	130 (60)	22 (40)	7 (64)	9 (56)	10 (56)	15 (52)	8 (32)	71 (46)	201 (54)
2	Acquisition of basic business knowledge	3 (25)	4 (29)	10 (36)	9 (39)	4 (50)	15 (33)	9 (20)	14 (36)	68 (31)	37 (67)	4 (36)	10 (63)	3 (17)	10 (34)	7 (28)	71 (46)	139 (38)
3	Higher technical training (for engineers)	2 (17)	7 (50)	12 (43)	10 (43)	3 (38)	29 (63)	27 (59)	15 (38)	105 (49)	10 (18)	3 (27)	0 (0)	11 (61)	3 (10)	4 (16)	31 (20)	136 (37)
4	Acquisition of special knowledge	6 (50)	8 (57)	7 (25)	4 (17)	1 (13)	12 (26)	11 (24)	8 (21)	57 (26)	27 (49)	3 (27)	13 (81)	7 (39)	13 (45)	13 (52)	76 (49)	133 (36)
5	General technical training (for workers)	6 (50)	8 (57)	13 (46)	10 (43)	2 (25)	18 (39)	19 (41)	17 (44)	93 (43)	3 (5)	2 (18)	0 (0)	5 (28)	7 (24)	2 (8)	19 (12)	112 (30)
6	Advanced technical training (for R&D)	3 (25)	2 (14)	1 (4)	0 (0)	1 (13)	5 (11)	5 (11)	2 (5)	19 (9)	1 (2)	0 (0)	0 (0)	1 (6)	1 (3)	1 (4)	4 (3)	23 (6)
-	Others	0 (0)	0 (0)	1 (4)	0 (0)	1 (13)	2 (4)	3 (7)	0 (0)	7 (3)	2 (4)	0 (0)	0 (0)	1 (6)	3 (10)	2 (8)	8 (5)	15 (4)
Total		24	39	59	43	16	115	105	78	479	102	19	32	38	52	37	280	759
No. of firms		12	14	28	23	8	46	46	39	216	55	11	16	18	29	25	154	370 (100)

(3) Measures to address lack of human resources

As for the measures in response to the lack of human resources (check all that apply), the predominant response was “Wage increase” (50%), followed by “Promotion of recruitment” (48%), and “Enhancement of the welfare package” (46%).

By industry, the predominant response in the manufacturing sector was “Enhancement of the welfare package” (51%), followed by “Wage increase” and “Promotion of mechanization” (both 47%), while in the non-manufacturing sector the predominant response was “Wage increase” (55%), followed by “Promotion of recruitment” (52%), “Enhancement of the welfare package” (38%). (Table 13-3).

(Table 13-3) Measures to address lack of human resources (check all that apply)

Unit: No. of firms and (%)																		
Ranking		Manufacturing									Non-manufacturing							Grand total
		Food	Textile	Chemical	Steel/Non-ferrous metal	General machinery	Electrical/Electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retail	Finance/Securities/Insurance	Construction/Civil engineering	Transportation/Communication	Others	Non-manufacturing sector total	
1	Wage increase	7 (58)	6 (43)	18 (60)	12 (52)	5 (63)	16 (35)	25 (54)	13 (33)	102 (47)	31 (56)	5 (42)	6 (38)	12 (63)	19 (66)	13 (54)	86 (55)	188 (50)
2	Promotion of recruitment	5 (42)	7 (50)	11 (37)	8 (35)	5 (63)	21 (46)	22 (48)	19 (49)	98 (45)	19 (35)	8 (67)	11 (69)	9 (47)	19 (66)	14 (58)	80 (52)	178 (48)
3	Enhancement of welfare package	7 (58)	8 (57)	19 (63)	13 (57)	2 (25)	23 (50)	23 (50)	17 (44)	112 (51)	18 (33)	5 (42)	9 (56)	9 (47)	10 (34)	8 (33)	59 (38)	171 (46)
4	Promotion of mechanization	5 (42)	3 (21)	16 (53)	6 (26)	2 (25)	25 (54)	31 (67)	14 (36)	102 (47)	4 (7)	0 (0)	2 (13)	1 (5)	3 (10)	1 (4)	11 (7)	113 (30)
5	Nothing in particular	0 (0)	2 (14)	2 (7)	2 (9)	0 (0)	4 (9)	3 (7)	6 (15)	19 (9)	10 (18)	2 (17)	0 (0)	0 (0)	2 (7)	6 (25)	20 (13)	39 (10)
6	Utilization of foreign employees	0 (0)	4 (29)	0 (0)	1 (4)	0 (0)	5 (11)	4 (9)	3 (8)	17 (8)	3 (5)	1 (8)	0 (0)	4 (21)	4 (14)	1 (4)	13 (8)	30 (8)
7	Transfer of business to a country outside Thailand (including partial transfer)	0 (0)	1 (7)	0 (0)	0 (0)	1 (13)	1 (2)	2 (4)	2 (5)	7 (3)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	7 (2)
8	Transfer of business in Thailand (including partial transfer)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (3)	1 (0)	0 (0)	0 (0)	0 (0)	1 (5)	1 (3)	0 (0)	2 (1)	3 (1)
-	Others	0 (0)	0 (0)	0 (0)	1 (4)	0 (0)	1 (2)	0 (0)	1 (3)	3 (1)	1 (2)	1 (8)	0 (0)	0 (0)	0 (0)	0 (0)	2 (1)	5 (1)
Total		24	31	66	43	15	96	110	76	461	86	22	28	36	58	43	273	734
No. of firms		12	14	30	23	8	46	46	39	218	55	12	16	19	29	24	155	373 (100)

14. Business development in neighboring countries

(1) Advancement into neighboring countries

Responses regarding advancement into neighboring countries of “Already implemented” or “Have a plan” were at 30%, while the dominant response was “No plan” (50%), followed by “Undecided” (19%). (Table 14-1).

(Table 14-1) Advancement into neighboring countries

Unit: No. of firms and (%)

Industry		Already implemented	Have a plan	No plan	Undecided	No. of firms
Manufacturing	Food	1 (10)	0 (0)	5 (50)	4 (40)	10
	Textile	1 (7)	1 (7)	11 (79)	1 (7)	14
	Chemical	6 (20)	3 (10)	16 (53)	5 (17)	30
	Steel/Non-ferrous metal	2 (9)	2 (9)	13 (57)	6 (26)	23
	General machinery	3 (38)	0 (0)	4 (50)	1 (13)	8
	Electrical/Electronic machinery	4 (9)	3 (7)	28 (62)	10 (22)	45
	Transportation machinery	5 (11)	7 (16)	20 (45)	12 (27)	44
	Others	6 (16)	5 (13)	21 (55)	6 (16)	38
	Manufacturing sector total	28 (13)	21 (10)	118 (56)	45 (21)	212
Non-manufacturing	Trading	12 (21)	11 (20)	22 (39)	11 (20)	56
	Retailer	1 (9)	2 (18)	7 (64)	1 (9)	11
	Finance/Insurance/Securities	3 (19)	3 (19)	6 (38)	4 (25)	16
	Construction/Civil engineering	5 (28)	5 (28)	6 (33)	2 (11)	18
	Transportation/Communication	4 (14)	7 (24)	13 (45)	5 (17)	29
	Others	5 (20)	4 (16)	13 (52)	3 (12)	25
	Non-manufacturing sector total	30 (19)	32 (21)	67 (43)	26 (17)	155
Total		58 (16)	53 (14)	185 (50)	71 (19)	367

(Note 1) Advancement means establishment of factories or offices

(Note 2) "Already implemented" means advancement since 2010

(2) Host countries

Responses on host countries (check all that apply) were mainly “Indonesia” (49%), followed by “Myanmar” and “Vietnam” (both 31%) and “India” (22%). The “Mekong region” was 56%.

By industry, “Indonesia” (50%) predominated in the manufacturing sector, followed by “Vietnam” (35%), “India” (29%), and the non-manufacturing indicated, “Indonesia” (48%), “Myanmar” (47%) and “Vietnam” (28%). (Table 14-2).

(Table 14-2) Host countries (check all that apply)

		Unit: No. of firms and (%)													
Industry		Indonesia	Myanmar	Vietnam	India	Campodia	China	Laos	Singapore	Malaysia	Philippines	Others	(Mekong region)	Total	No. of firms
Manufacturing	Food	2 (100)	1 (50)	2 (100)	2 (100)	1 (50)	1 (50)	1 (50)	1 (50)	1 (50)	1 (50)	1 (50)	2 (100)	14	2
	Textile	0 (0)	1 (50)	1 (50)	0 (0)	0 (0)	0 (0)	1 (50)	0 (0)	0 (0)	0 (0)	0 (0)	2 (100)	3	2
	Chemical	4 (50)	1 (13)	3 (38)	3 (38)	1 (13)	1 (13)	1 (13)	1 (13)	1 (13)	1 (13)	0 (0)	3 (38)	17	8
	Steel/Non-ferrous metal	4 (100)	0 (0)	1 (25)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (25)	5	4
	General machinery	3 (100)	0 (0)	0 (0)	2 (67)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	5	3
	Electrical/Electronic machinery	3 (38)	1 (13)	3 (38)	4 (50)	1 (13)	1 (13)	1 (13)	0 (0)	0 (0)	0 (0)	1 (13)	4 (50)	15	8
	Transportation machinery	6 (46)	0 (0)	4 (31)	1 (8)	0 (0)	2 (15)	0 (0)	0 (0)	0 (0)	0 (0)	3 (23)	4 (31)	16	13
	Others	4 (33)	2 (17)	4 (33)	3 (25)	2 (17)	2 (17)	1 (8)	0 (0)	2 (17)	0 (0)	2 (17)	6 (50)	22	12
	Manufacturing sector total	26 (50)	6 (12)	18 (35)	15 (29)	5 (10)	7 (13)	5 (10)	2 (4)	4 (8)	2 (4)	7 (13)	22 (42)	97	52
Non-manufacturing	Trading	15 (68)	6 (27)	7 (32)	6 (27)	3 (14)	2 (9)	1 (5)	3 (14)	2 (9)	2 (9)	0 (0)	12 (55)	47	22
	Retailer	2 (67)	2 (67)	2 (67)	1 (33)	0 (0)	2 (67)	1 (33)	1 (33)	1 (33)	3 (100)	0 (0)	3 (100)	15	3
	Finance/Insurance/Securities	1 (17)	4 (67)	1 (17)	2 (33)	2 (33)	1 (17)	1 (17)	2 (33)	1 (17)	1 (17)	1 (17)	4 (67)	17	6
	Construction/Civil engineering	6 (60)	7 (70)	1 (10)	1 (10)	3 (30)	1 (10)	1 (10)	1 (10)	1 (10)	1 (10)	0 (0)	7 (70)	23	10
	Transportation/Communication	2 (14)	7 (50)	4 (29)	0 (0)	5 (36)	0 (0)	4 (29)	0 (0)	0 (0)	0 (0)	0 (0)	11 (79)	22	14
	Others	5 (56)	4 (44)	3 (33)	1 (11)	1 (11)	2 (22)	0 (0)	4 (44)	3 (33)	0 (0)	1 (11)	6 (67)	24	9
	Non-manufacturing sector total	31 (48)	30 (47)	18 (28)	11 (17)	14 (22)	8 (13)	8 (13)	11 (17)	8 (13)	7 (11)	2 (3)	43 (67)	148	64
Total		57 (49)	36 (31)	36 (31)	26 (22)	19 (16)	15 (13)	13 (11)	13 (11)	12 (10)	9 (8)	9 (8)	65 (56)	245	116
Ranking		1	2	2	4	5	6	7	7	9	10	-	-		

(Note 1) "Host countries" means countries that firms plan to advance into or have advance after 2010

(Note 2) "Mekong region" means Cambodia, Laos, Myanmar, and Vietnam

(Note 3) No. of firms in "Mekong region" means firms selecting any of Cambodia, Laos, Myanmar, and Vietnam

(3) Reasons for advancement into neighboring countries

Responses for reasons for advancement into neighboring countries (check all that apply) were predominated by “Business expansion in the host country” (76%), followed by “Development of connectivity with neighboring countries of Thailand” (16%) and “Wage increase in Thailand” (14%).

By industry, the dominant responses were “Business expansion in the host country” (70%), followed by “Wage increase in Thailand” (24%) and “Labor shortage in Thailand” (14%) in the manufacturing sector, while in the non-manufacturing sector “Business expansion in the host country” (80%), followed by “Development of connectivity with neighboring countries of Thailand” (20%) and “Development of investment environment in the host country (infrastructure, investment law)” (16%). (Table 14-3).

(Table 14-3) Reasons for advancement into surrounding countries (check all that apply)

Unit: No. of firms and (%)

Ranking		Manufacturing									Non-manufacturing							Grand total
		Food	Textile	Chemical	Steel/Non-ferrous metal	General machinery	Electrical/Electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retail	Finance/Securities/Insurance	Construction/Civil engineering	Transportation/Communication	Others	Non-manufacturing sector total	
1	Business expansion in the host country	1 (50)	0 (0)	9 (100)	4 (100)	2 (100)	7 (100)	7 (58)	5 (42)	35 (70)	20 (95)	3 (100)	5 (83)	8 (80)	7 (58)	6 (67)	49 (80)	84 (76)
2	Development of connectivity with neighboring countries of Thailand	0 (0)	0 (0)	1 (11)	0 (0)	1 (50)	1 (14)	1 (8)	2 (17)	6 (12)	3 (14)	0 (0)	1 (17)	0 (0)	6 (50)	2 (22)	12 (20)	18 (16)
3	Wage increase in Thailand	0 (0)	2 (100)	0 (0)	1 (25)	0 (0)	1 (14)	4 (33)	4 (33)	12 (24)	0 (0)	0 (0)	0 (0)	0 (0)	2 (17)	2 (22)	4 (7)	16 (14)
4	Development of investment environment in the host country (infrastructure, investment law)	0 (0)	1 (50)	0 (0)	0 (0)	1 (50)	0 (0)	0 (0)	0 (0)	2 (4)	5 (24)	0 (0)	0 (0)	1 (10)	1 (8)	3 (33)	10 (16)	12 (11)
5	Labour shortage in Thailand	0 (0)	0 (0)	0 (0)	1 (25)	0 (0)	0 (0)	3 (25)	3 (25)	7 (14)	0 (0)	0 (0)	0 (0)	1 (10)	1 (8)	0 (0)	2 (3)	9 (8)
6	Effectuation of FTA/EPA	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (5)	0 (0)	0 (0)	0 (0)	0 (0)	1 (11)	2 (3)	2 (2)
7	Flood in Thailand	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (8)	1 (2)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (1)
-	Others	1 (50)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	2 (17)	4 (33)	7 (14)	1 (5)	0 (0)	0 (0)	1 (10)	2 (17)	0 (0)	4 (7)	11 (10)
Total		2	3	10	6	4	9	17	19	70	30	3	6	11	19	14	83	153
No. of firms		2	2	9	4	2	7	12	12	50	21	3	6	10	12	9	61	111 (100)

(4) Reasons for having no plan to advance into neighboring countries

Responses for reasons for having no plan to advance into neighboring countries (check all that apply) were dominated by “Focus on business in Thailand for the time being” (74%), followed by “Existence of trained staff” (23%) and “Well established infrastructure” (21%).

By industry, the predominant response was “Focus on business in Thailand for the time being” (73%) followed by “Existence of trained staff” (31%) and “Well established infrastructure” (27%) in the manufacturing sector, and in the non-manufacturing sector, “Focus on business in Thailand for the time being” (74%) followed by “Growing Thai domestic market” (11%) and “Well established infrastructure” (10%). (Table 14-4).

(Table 14-4) Reasons for having no plan to advance into surrounding countries

Ranking		Manufacturing									Non-manufacturing							Grand total
		Food	Textile	Chemical	Steel/Non-ferrous metal	General machinery	Electrical/Electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retail	Finance/Securities/Insurance	Construction/Civil engineering	Transportation/Communication	Others	Non-manufacturing sector total	
1	Focus on business in Thailand for the time being	4 (100)	9 (82)	12 (75)	10 (77)	4 (80)	22 (71)	17 (71)	16 (67)	94 (73)	17 (74)	5 (83)	5 (63)	6 (100)	9 (64)	10 (77)	52 (74)	146 (74)
2	Existence of trained staff	1 (25)	6 (55)	4 (25)	3 (23)	3 (60)	12 (39)	5 (21)	6 (25)	40 (31)	2 (9)	0 (0)	0 (0)	1 (17)	1 (7)	2 (15)	6 (9)	46 (23)
3	Well established infrastructure	2 (50)	3 (27)	5 (31)	3 (23)	3 (60)	11 (35)	4 (17)	3 (13)	34 (27)	6 (26)	0 (0)	0 (0)	0 (0)	0 (0)	1 (8)	7 (10)	41 (21)
4	Preferential treatment for foreign capital e.g. BOI	1 (25)	3 (27)	4 (25)	2 (15)	2 (40)	8 (26)	5 (21)	7 (29)	32 (25)	2 (9)	1 (17)	0 (0)	0 (0)	0 (0)	0 (0)	3 (4)	35 (18)
5	Growing Thai domestic market	0 (0)	1 (9)	1 (6)	3 (23)	2 (40)	4 (13)	5 (21)	6 (25)	22 (17)	3 (13)	0 (0)	1 (13)	1 (17)	2 (14)	1 (8)	8 (11)	30 (15)
6	Existence of FTA/EPA	0 (0)	4 (36)	3 (19)	0 (0)	1 (20)	5 (16)	3 (13)	2 (8)	18 (14)	2 (9)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	2 (3)	20 (10)
7	Highest concentration of industries in ASEAN	0 (0)	2 (18)	2 (13)	1 (8)	1 (20)	4 (13)	0 (0)	1 (4)	11 (9)	3 (13)	0 (0)	1 (13)	1 (17)	0 (0)	0 (0)	5 (7)	16 (8)
7	Development of connectivity with countries neighboring Thailand	0 (0)	0 (0)	2 (13)	1 (8)	0 (0)	1 (3)	4 (17)	5 (21)	13 (10)	2 (9)	0 (0)	0 (0)	0 (0)	1 (7)	0 (0)	3 (4)	16 (8)
-	Others	0 (0)	1 (9)	1 (6)	0 (0)	0 (0)	3 (10)	1 (4)	5 (21)	11 (9)	2 (9)	0 (0)	1 (13)	0 (0)	3 (21)	4 (31)	10 (14)	21 (11)
Total		8	29	34	23	16	70	44	51	275	39	6	8	9	16	18	96	371
No. of firms		4	11	16	13	5	31	24	24	128	23	6	8	6	14	13	70	198 (100)

15. ASEAN Economic Community (AEC)

Expectation for implementation items by the AEC

As for the expectation of the AEC items, the predominant response was “Mutual duty exemption among CLMV (Cambodia, Laos, Myanmar, and Vietnam)” (48 %), followed by “Simplified Customs clearance at border” (42 %) and “Free movement of skilled labor” (36 %), and “Relaxation of capital control in the service sector” (24%).

By industry, the predominant response was “Relaxation of capital control in the service sector” (47%) in the non-manufacturing sector. (Table 15)

(Table 15) Expectation for implementation of the items of the AEC (check all that apply)

Unit: No. of firms and (%)																		
Ranking		Manufacturing									Non-manufacturing							Grand total
		Food	Textile	Chemical	Steel/Non-ferrous metal	General machinery	Electrical/Electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retail	Finance/Securities/Insurance	Construction/Civil engineering	Transportation/Communication	Others	Non-manufacturing sector total	
1	Mutual duty exemption among CLMV	5 (45)	8 (57)	17 (57)	5 (22)	4 (80)	19 (44)	21 (48)	22 (59)	101 (49)	31 (58)	4 (40)	4 (25)	7 (39)	15 (54)	8 (33)	69 (46)	170 (48)
2	Simplified Customs clearance at border	5 (45)	5 (36)	15 (50)	11 (48)	2 (40)	21 (49)	23 (52)	11 (30)	93 (45)	28 (53)	5 (50)	1 (6)	6 (33)	15 (54)	2 (8)	57 (38)	150 (42)
3	Free movement of skilled labor	4 (36)	6 (43)	9 (30)	13 (57)	0 (0)	22 (51)	22 (50)	11 (30)	87 (42)	8 (15)	1 (10)	2 (13)	12 (67)	11 (39)	6 (25)	40 (27)	127 (36)
4	Relaxation of capital control in the service sector	0 (0)	0 (0)	2 (7)	3 (13)	0 (0)	6 (14)	1 (2)	2 (5)	14 (7)	22 (42)	5 (50)	8 (50)	6 (33)	17 (61)	12 (50)	70 (47)	84 (24)
5	Infrastructure development in CLMV	2 (18)	5 (36)	8 (27)	4 (17)	0 (0)	10 (23)	6 (14)	10 (27)	45 (22)	14 (26)	1 (10)	3 (19)	3 (17)	7 (25)	5 (21)	33 (22)	78 (22)
6	Further deregulation of capital transfer	2 (18)	3 (21)	2 (7)	0 (0)	0 (0)	8 (19)	4 (9)	4 (11)	23 (11)	13 (25)	1 (10)	7 (44)	1 (6)	5 (18)	7 (29)	34 (23)	57 (16)
7	Deregulation of investment in manufacturing, mining, agriculture and forestry	1 (9)	3 (21)	8 (27)	2 (9)	2 (40)	6 (14)	8 (18)	7 (19)	37 (18)	10 (19)	0 (0)	3 (19)	0 (0)	1 (4)	1 (4)	15 (10)	52 (15)
8	Improvement of intellectual property rights-related systems	1 (9)	1 (7)	3 (10)	0 (0)	0 (0)	6 (14)	2 (5)	5 (14)	18 (9)	3 (6)	1 (10)	2 (13)	1 (6)	0 (0)	4 (17)	11 (7)	29 (8)
9	Harmonized policy within the region (e.g. fair competition, consumer protection)	1 (9)	2 (14)	2 (7)	0 (0)	0 (0)	2 (5)	2 (5)	2 (5)	11 (5)	4 (8)	0 (0)	3 (19)	1 (6)	1 (4)	1 (4)	10 (7)	21 (6)
-	Others	1 (9)	0 (0)	0 (0)	2 (9)	1 (20)	1 (2)	0 (0)	1 (3)	6 (3)	1 (2)	0 (0)	1 (6)	0 (0)	0 (0)	1 (4)	3 (2)	9 (3)
Total		22	33	66	40	9	101	89	75	435	134	18	34	37	72	47	342	777
No. of firms		11	14	30	23	5	43	44	37	207	53	10	16	18	28	24	149	356 (100)

16. FTA/EPA under consideration by the Thai government

(1) Effect of FTA/EPA under consideration by the Thai government

a. Regional Comprehensive Economic Partnership (RCEP)

As to the effect of RECP, 63% of responses were “Favorable effect” or “Some positive effect”, and “No effect” was 30%, with “Some negative effect” or “Negative effect” at 6%. (Table 16-1-a).

(Table 16-1-a) Effect of the Regional Comprehensive Economic Partnership (RCEP)

Unit: No. of firms and (%)

		Favorable effect	Some positive effect	No effect	Some negative effect	Negative effect	No. of firms
Manufacturing	Food	1 (8)	9 (75)	2 (17)	0 (0)	0 (0)	12
	Textile	2 (15)	8 (62)	2 (15)	1 (8)	0 (0)	13
	Chemical	7 (23)	17 (57)	5 (17)	1 (3)	0 (0)	30
	Steel/Non-ferrous metal	3 (14)	8 (36)	5 (23)	6 (27)	0 (0)	22
	General machinery	4 (50)	3 (38)	1 (13)	0 (0)	0 (0)	8
	Electrical/Electronic machinery	7 (15)	21 (45)	15 (32)	4 (9)	0 (0)	47
	Transportation machinery	13 (28)	20 (43)	9 (20)	3 (7)	1 (2)	46
	Others	5 (14)	14 (39)	14 (39)	0 (0)	0 (0)	36
	Manufacturing sector total	42 (20)	100 (47)	53 (25)	15 (7)	1 (0)	214
Non-manufacturing	Trading	16 (30)	21 (39)	15 (28)	2 (4)	0 (0)	54
	Retailer	1 (9)	5 (45)	4 (36)	1 (9)	0 (0)	11
	Finance/Insurance/Securities	3 (20)	5 (33)	7 (47)	0 (0)	0 (0)	15
	Construction/Civil engineering	1 (5)	10 (53)	7 (37)	1 (5)	0 (0)	19
	Transportation/Communication	9 (30)	9 (30)	11 (37)	1 (3)	0 (0)	30
	Others	2 (8)	9 (36)	14 (56)	0 (0)	0 (0)	25
	Non-manufacturing sector total	32 (21)	59 (38)	58 (38)	5 (3)	0 (0)	154
	Total	74 (20)	159 (43)	111 (30)	20 (5)	1 (0)	368

※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. Actual negotiations are due to start early 2013, aiming at a conclusion by the end of 2015.

b. Effect of the Trans-Pacific Strategic Economic Partnership Agreement (TPP)

As to the effect of the TPP, 54% of responses were “Favorable effect” and “Some positive effect”, and “No effect” was 44%, with “Some negative effect” or “Negative effect” at 2%. (Table 16-1-b).

(Table 16-1-b) Effect of the Trans-Pacific Strategic Economic Partnership Agreement (TPP)

Unit: No. of firms and (%)

Industry		Favorable effect	Some positive effect	No effect	Some negative effect	Negative effect	No. of firms
Manufacturing	Food	1 (8)	7 (58)	4 (33)	0 (0)	0 (0)	12
	Textile	0 (0)	8 (62)	5 (38)	0 (0)	0 (0)	13
	Chemical	4 (14)	14 (48)	11 (38)	0 (0)	0 (0)	29
	Steel/Non-ferrous metal	2 (9)	6 (27)	12 (55)	2 (9)	0 (0)	22
	General machinery	1 (13)	3 (38)	4 (50)	0 (0)	0 (0)	8
	Electrical/Electronic machinery	6 (13)	23 (49)	17 (36)	1 (2)	0 (0)	47
	Transportation machinery	4 (9)	21 (47)	18 (40)	2 (4)	0 (0)	45
	Others	5 (14)	15 (42)	15 (42)	0 (0)	0 (0)	36
Manufacturing sector total		23 (11)	97 (46)	86 (41)	5 (2)	0 (0)	212
Non-manufacturing	Trading	11 (20)	20 (37)	21 (39)	2 (4)	0 (0)	54
	Retailer	1 (9)	4 (36)	6 (55)	0 (0)	0 (0)	11
	Finance/Insurance/Securities	3 (20)	5 (33)	7 (47)	0 (0)	0 (0)	15
	Construction/Civil engineering	1 (5)	7 (37)	10 (53)	1 (5)	0 (0)	19
	Transportation/Communication	6 (20)	11 (37)	12 (40)	1 (3)	0 (0)	30
	Others	1 (4)	6 (24)	18 (72)	0 (0)	0 (0)	25
	Non- manufacturing sector total	23 (15)	53 (34)	74 (48)	4 (3)	0 (0)	154
Total		46 (13)	150 (41)	160 (44)	9 (2)	0 (0)	366

c. Thai EU Free Trade Agreement (Thai EU • FTA)

As to the effect of the Thai- EU FTA, 31% of responses were “Favorable effect” and “Some positive effect”, and “No effect” was 66%, with “Some negative effect” and “Negative effect” at 3%. (Table 16-1-c).

(Table 16-1-c) Effect of Thai EU Free Trade Agreement (Thai EU • FTA)

Unit: No. of firms and (%)

Industry		Favorable effect	Some positive effect	No effect	Some negative effect	Negative effect	No. of firms
Manufacturing	Food	2 (17)	3 (25)	7 (58)	0 (0)	0 (0)	12
	Textile	0 (0)	7 (50)	7 (50)	0 (0)	0 (0)	14
	Chemical	5 (17)	10 (34)	13 (45)	1 (3)	0 (0)	29
	Steel/Non-ferrous metal	2 (9)	4 (18)	16 (73)	0 (0)	0 (0)	22
	General machinery	0 (0)	1 (14)	6 (86)	0 (0)	0 (0)	7
	Electrical/Electronic machinery	4 (9)	10 (22)	29 (63)	3 (7)	0 (0)	46
	Transportation machinery	2 (4)	12 (26)	30 (65)	2 (4)	0 (0)	46
	Others	3 (8)	7 (19)	25 (69)	0 (0)	0 (0)	36
Manufacturing sector total		18 (8)	54 (25)	133 (63)	6 (3)	0 (0)	212
Non-manufacturing	Trading	9 (17)	9 (17)	33 (61)	3 (6)	0 (0)	54
	Retailer	1 (9)	3 (27)	7 (64)	0 (0)	0 (0)	11
	Finance/Insurance/Securities	1 (7)	4 (27)	9 (60)	0 (0)	1 (7)	15
	Construction/Civil engineering	1 (5)	1 (5)	17 (89)	0 (0)	0 (0)	19
	Transportation/Communication	4 (14)	5 (17)	20 (69)	0 (0)	0 (0)	29
	Others	1 (4)	2 (8)	22 (88)	0 (0)	0 (0)	25
Non- manufacturing sector total		17 (11)	24 (16)	108 (71)	3 (2)	1 (1)	153
Total		35 (10)	78 (21)	241 (66)	9 (2)	1 (0)	365

(2) Expectation for implementation of the items under consideration by the Regional Comprehensive Economic Partnership (RCEP)

As to expectation for implementation of the items under consideration by the RCEP (check all that apply), the predominant response was “Elimination of high tariffs in terms of both article numbers and trade volume” (45%), followed by “Introduction of certification of origin that is easier to acquire (selective certificate of origin, etc.)” (41%), and “Participation in ASEAN plus FTA partners (Japan, China, South Korea, India, Australia, and NZ)” (34%).

By industry, the predominant response in the non-manufacturing sector was “Relaxation or elimination of investment restrictions” (44%). (Table 16-2).

(Table 16-2) Expectation for implementation of the items under consideration by RCEP (check all that apply)

Unit: No. of firms and (%)

Ranking		Manufacturing									Non-manufacturing							Grand total
		Food	Textile	Chemical	Steel/Non-ferrous metal	General machinery	Electrical/Electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retail	Finance/Securities/Insurance	Construction/Civil engineering	Transportation/Communication	Others	Non-manufacturing sector total	
1	Elimination of high tariffs in terms of both article numbers and trade volume	7 (64)	8 (67)	14 (50)	12 (55)	2 (33)	27 (61)	24 (53)	14 (40)	108 (53)	22 (43)	4 (33)	0 (0)	6 (35)	10 (38)	5 (24)	47 (33)	155 (45)
2	Introduction of certification of origin which is easier to acquire (selective certificate of origin, etc.)	7 (64)	8 (67)	13 (46)	6 (27)	2 (33)	26 (59)	25 (56)	13 (37)	100 (49)	23 (45)	4 (33)	2 (13)	3 (18)	9 (35)	1 (5)	42 (30)	142 (41)
3	Participation in ASEAN plus FTA partners (Japan, China, South Korea, India, Australia and NZ)	1 (9)	6 (50)	12 (43)	6 (27)	2 (33)	12 (27)	9 (20)	14 (40)	62 (31)	25 (49)	4 (33)	7 (47)	3 (18)	9 (35)	8 (38)	56 (39)	118 (34)
4	Relaxation or elimination of investment restrictions	2 (18)	2 (17)	4 (14)	6 (27)	2 (33)	11 (25)	8 (18)	5 (14)	40 (20)	16 (31)	4 (33)	9 (60)	11 (65)	12 (46)	11 (52)	63 (44)	103 (30)
5	Relaxation or elimination of service trade barriers	2 (18)	2 (17)	3 (11)	3 (14)	0 (0)	7 (16)	3 (7)	5 (14)	25 (12)	15 (29)	5 (42)	3 (20)	7 (41)	10 (38)	4 (19)	44 (31)	69 (20)
6	Improvement of intellectual property rights	3 (27)	0 (0)	3 (11)	3 (14)	3 (50)	9 (20)	8 (18)	6 (17)	35 (17)	2 (4)	1 (8)	0 (0)	1 (6)	0 (0)	7 (33)	11 (8)	46 (13)
7	Accumulative effect of rules of origin	2 (18)	2 (17)	6 (21)	2 (9)	0 (0)	10 (23)	7 (16)	3 (9)	32 (16)	5 (10)	0 (0)	0 (0)	1 (6)	4 (15)	1 (5)	11 (8)	43 (12)
8	Protection of competitiveness and economic rationality and consumer welfare	1 (9)	1 (8)	0 (0)	5 (23)	2 (33)	3 (7)	2 (4)	2 (6)	16 (8)	3 (6)	1 (8)	3 (20)	3 (18)	0 (0)	0 (0)	10 (7)	26 (8)
9	Economic and technical cooperation for correcting any development gap between member countries	1 (9)	1 (8)	2 (7)	0 (0)	1 (17)	5 (11)	2 (4)	3 (9)	15 (7)	2 (4)	2 (17)	0 (0)	1 (6)	3 (12)	2 (10)	10 (7)	25 (7)
-	Others	0 (0)	1 (8)	1 (4)	0 (0)	0 (0)	1 (2)	0 (0)	2 (6)	5 (2)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (5)	1 (1)	6 (2)
Total		26	31	58	43	14	111	88	67	438	113	25	24	36	57	40	295	733
No. of firms		11	12	28	22	6	44	45	35	203	51	12	15	17	26	21	142	345 (100)