

Survey of Business Sentiment on Japanese Corporations in Thailand
For the 2nd half of 2014

※JCC is the copyright holder for this report.

JETRO is authorized to post it on our website by courtesy of the copyright holder.

A Survey of Business Sentiment on Japanese Corporations in Thailand for the 2nd half of 2014

JCC Economic Survey Team

Press Release: 27 January, 2015

Survey Period

Questionnaire request date 24 November, 2014

Questionnaire response deadline 18 December, 2014

Questionnaire response

This questionnaire was distributed to
1,583 JCC member firms.
(Eleven governmental organizations were excluded).

No. of firms responding to this questionnaire
393 firms

The response percentage
24.8%

No. of firms		
Industry		No.
Manufacturing	Food	5
	Textiles	15
	Chemicals	33
	Steel/Non-ferrous metal	30
	General machinery	13
	Electrical/Electronic machinery	45
	Transportation machinery	53
	Others	35
	Manufacturing sector total	229
Non-manufacturing	Trading	55
	Retailing	12
	Finance/Insurance/Securities	21
	Construction/Civil engineering	24
	Transportation/Communications	25
	Other	27
	Non-manufacturing sector total	164
Total		393

Note

- Since the number of firms 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.

1. BUSINESS SENTIMENT

(1) Summary

Business sentiment in the first half of 2014 deteriorated more due to weak consumption, compared with the second half of 2013. Business sentiment in the second half of 2014 is expected to begin to turn around, and improvement is expected in the first half of 2015. (Table 1-1)

(Table 1-1) Business Sentiment

Unit: %

	Past Surveys							Previous Survey		Survey this time		
	Result							Result	Forecast	Result	Forecast	
	10		11		12		13	13	14	14		15
	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2
Improving	72	71	57	21	76	60	46	35	26	34	30	33
No change	15	18	18	17	11	21	28	28	24	35	20	28
Deteriorating	12	12	25	62	14	19	25	37	51	31	50	39
(Ref) DI	60	59	32	-41	62	41	21	-2	-25	3	-20	-6

(Note) 1. DI = "improving" - "deteriorating"

2. As the fraction of a percentage is rounded off, the total may not equal to 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 performance of many firms is improving. If it’s below the neutral level, it signifies that they are deteriorating.

(2) The first half of 2014 (January - June)

The percentage of firms reporting that business sentiment was “improving” decreased by 5 points to 30% from the previous term (35%), whereas those reporting “deteriorating” increased by 13 points to 50% from the previous term (37%). As a result, the Diffusion Index (DI), which is the balance between “improving” and “deteriorating”, was calculated as -20, 18 points lower than the previous term (-2) (Table 1-1)

In the manufacturing sector, the DI increased in the food, steel/non-ferrous metal industries etc., whereas it decreased in general machinery etc. and many other industries. As a result, the overall DI in the manufacturing sector decreased by 3 points to -17 from the previous term (-14).

For the non-manufacturing sector, it also turned to “deteriorating” in all industries including retailing, with the overall DI in the non-manufacturing sector decreasing by 33 points to -26 from the previous term (+7) (Table 1-2)

(3) The second half of 2014 (July - December)

The percentage of firms reporting that business performance was “improving” increased 3 points to 33% from the previous term (30%), whereas the percentage of firms reporting “deteriorating” decreased 11 points to 39% from the previous term (50%). As a result, the overall DI is expected to increase by 14 points than the previous term (-20) to -6 (Table 1-1)

In the manufacturing sector, the DI was expected to decrease in textiles, general machinery industries etc., whereas it increased in transportation machinery. As a result, the overall DI in the manufacturing sector was expected to increase by 11 points to -6 from the previous term (-17).

For the non-manufacturing sector, it was expected to increase in all industries including retailing, with the overall DI in the non-manufacturing sector increasing by 19 points to -7 from the previous term (-26) (Table 1-2)

(4) First half of 2015 (January - June) - Forecast

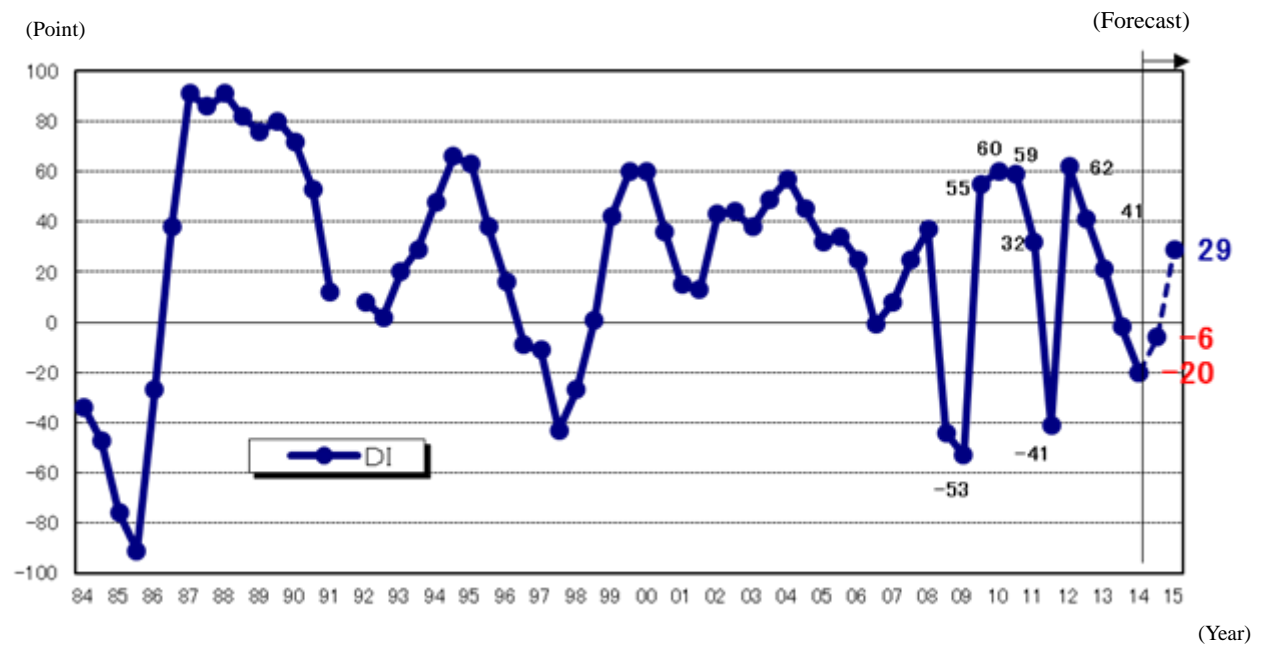
The percentage of firms reporting that business performance was “improving” increased by 11 points to 44% from the previous term (33%), whereas the percentage of firms reporting “deteriorating” fell by 24 points to 15% from the previous term (39%). As a result, the overall DI is expected to increase by 35 points to +29 from the previous term (-6) (Table 1-1).

In the manufacturing sector, the DI is expected to increase by 29 points to +23 compared to the previous term (-6) due to increases in all industries excluding food. For the non-manufacturing sector, it is expected to increase in all industries including in the finance/insurance/securities, and the overall DI is expected to increase by 43 points to +36 from the previous period (-7) (Table 1-2).

(Table 1-2) DI by Industry ("improving" — "deteriorating")

Industry		Past survey								Survey this time		
		Result						Forecast		Result	Forecast	
		11H1	11H2	12H1	12H2	13H1	13H2	14H1	14H2	14H1	14H2	15H1
Manufacturing	Food	29	-31	18	0	-37	-8	-25	38	40	17	0
	Textiles	38	-14	14	31	33	58	33	37	47	-6	7
	Chemicals	-12	-69	37	34	22	-8	16	-3	-15	0	50
	Steel/Non-ferrous metal	18	-87	59	35	52	-31	33	-14	-13	3	17
	General machinery	57	-17	100	0	0	0	-12	-23	-24	-36	-7
	Electrical/electronic machinery	27	-77	59	13	5	5	12	13	9	8	31
	Transportation machinery	-7	-74	74	74	9	-54	-2	-51	-62	-24	29
	Others	32	-39	59	26	18	-17	15	13	-19	-6	12
	Manufacturing sector total	16	-59	56	32	16	-14	11	-7	-17	-6	23
Non-manufacturing	Trading	59	-46	70	61	30	-7	30	9	-16	-6	42
	Retailing	82	30	75	64	10	28	55	23	-42	-7	50
	Finance/Insurance/Securities	64	7	53	73	61	33	5	-7	-24	-17	41
	Construction/Civil engineering	88	55	89	65	20	3	-20	16	-56	-26	17
	Transportation/Communication	32	-37	80	40	13	0	24	-21	-35	-19	32
	Others	52	-4	59	31	37	22	38	13	-7	26	37
	Non-manufacturing sector total	59	-10	71	54	29	7	22	4	-26	-7	36
Total		32	-41	62	41	21	-5	15	-2	-20	-6	29

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



(Note)

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

2. SALES

The percentage of firms reporting an “increase” in their total sales forecast in 2014 fell by 9 points to 43% from the previous year (52%). The percentage of firms reporting “more than a 20% increase” in their total sales fell by 5 points to 12% from the previous year (17%). (*Table 2-1 and Table 2-2*).

Regarding sales forecasts for 2015, the number of firms anticipating an “increase” in their total sales increased by 19 points to 62% from the previous period (43%), and the percentage of firms anticipating a “more than 20% increase” in their total sales also increased by 1 point, from 13% in the previous period to 12%. (*Table 2-1 and Table 2-3*).

(Table 2-1) Change in total sales

Unit: %

	Past Surveys							Previous survey		Survey this time	
	Result							Result	Forecast	Forecast	
Year	06	07	08	09	10	11	12	13	14	14	15
Sales increase	65	61	56	33	82	54	73	52	49	43	62
Sales increase more than 20%	17	14	14	6	46	13	34	17	11	12	13

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

(Table 2-2) Total Sales Forecast for 2014

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	4 (80)	0 (0)	0 (0)	4 (80)	1 (20)	0 (0)	0 (0)	0 (0)
	Textiles	9 (60)	0 (0)	3 (20)	6 (40)	3 (20)	2 (13)	1 (7)	0 (0)
	Chemicals	13 (42)	2 (6)	3 (10)	8 (26)	6 (19)	12 (39)	5 (16)	4 (13)
	Steel/Non-ferrous metal	20 (69)	6 (21)	7 (24)	7 (24)	0 (0)	9 (31)	6 (21)	1 (3)
	General machinery	3 (23)	2 (15)	1 (8)	0 (0)	3 (23)	7 (54)	1 (8)	1 (8)
	Electrical/electronic machinery	30 (67)	7 (16)	8 (18)	15 (33)	6 (13)	9 (20)	4 (9)	4 (9)
	Transportation machinery	12 (23)	4 (8)	4 (8)	4 (8)	7 (13)	33 (63)	11 (21)	12 (23)
	Others	14 (40)	3 (9)	3 (9)	8 (23)	5 (14)	16 (46)	8 (23)	5 (14)
Manufacturing sector total		105 (47)	24 (11)	29 (13)	52 (23)	31 (14)	89 (40)	37 (16)	28 (12)
Non-manufacturing	Trading	22 (40)	7 (13)	9 (16)	6 (11)	14 (25)	19 (35)	12 (22)	3 (5)
	Retailing	6 (50)	2 (17)	2 (17)	2 (17)	0 (0)	6 (50)	1 (8)	3 (25)
	Finance/Insurance/Securities	5 (38)	3 (23)	0 (0)	2 (15)	2 (15)	6 (46)	3 (23)	2 (15)
	Construction/Civil engineering	4 (17)	2 (9)	1 (4)	1 (4)	3 (13)	16 (70)	5 (22)	5 (22)
	Transportation/Communication	13 (52)	3 (12)	3 (12)	7 (28)	5 (20)	7 (28)	3 (12)	3 (12)
	Others	10 (36)	5 (18)	3 (11)	2 (7)	9 (32)	9 (32)	3 (11)	3 (11)
	Non-manufacturing sector total	60 (38)	22 (14)	18 (12)	20 (13)	33 (21)	63 (40)	27 (17)	19 (12)
Total		165 (43)	46 (12)	47 (12)	72 (19)	64 (17)	152 (40)	64 (17)	47 (12)

(Table 2-3) Sales Forecast for 2015

Unit: No. of firms (%)

Industry		Increase			No change	Decrease			
		More than 20%	10~20%	Less than 10%		Less than 10%	10~20%	More than 20%	
Manufacturing	Food	4 (80)	0 (0)	1 (20)	3 (60)	1 (20)	0 (0)	0 (0)	0 (0)
	Textiles	10 (67)	0 (0)	4 (27)	6 (40)	3 (20)	2 (13)	0 (0)	0 (0)
	Chemicals	20 (65)	1 (3)	3 (10)	16 (52)	6 (19)	5 (16)	3 (10)	1 (3)
	Steel/Non-ferrous metal	14 (48)	6 (21)	4 (14)	4 (14)	12 (41)	3 (10)	1 (3)	1 (3)
	General machinery	5 (38)	3 (23)	1 (8)	1 (8)	4 (31)	4 (31)	0 (0)	3 (23)
	Electrical/electronic machinery	26 (59)	7 (16)	11 (25)	8 (18)	15 (34)	3 (7)	1 (2)	2 (5)
	Transportation machinery	32 (62)	6 (12)	7 (13)	19 (37)	12 (23)	8 (15)	3 (6)	4 (8)
	Others	16 (46)	3 (9)	4 (11)	9 (26)	15 (43)	4 (11)	2 (6)	1 (3)
Manufacturing sector total		127 (57)	26 (12)	35 (16)	66 (29)	68 (30)	29 (13)	12 (5)	12 (5)
Non-manufacturing	Trading	38 (72)	6 (11)	17 (32)	15 (28)	11 (21)	4 (8)	2 (4)	1 (2)
	Retailing	9 (75)	3 (25)	4 (33)	2 (17)	3 (25)	0 (0)	0 (0)	0 (0)
	Finance/Insurance/Securities	9 (64)	2 (14)	3 (21)	4 (29)	5 (36)	0 (0)	0 (0)	0 (0)
	Construction/Civil engineering	13 (52)	5 (20)	4 (16)	4 (16)	7 (28)	5 (20)	0 (0)	1 (4)
	Transportation/Communication	20 (77)	1 (4)	6 (23)	13 (50)	5 (19)	1 (4)	1 (4)	0 (0)
	Others	20 (69)	5 (17)	7 (24)	8 (28)	7 (24)	2 (7)	1 (3)	1 (3)
	Non-manufacturing sector total	109 (69)	22 (14)	41 (26)	46 (29)	38 (24)	12 (8)	4 (3)	3 (2)
Total		236 (62)	48 (13)	76 (20)	112 (29)	106 (28)	41 (11)	16 (4)	15 (4)

3. PRE-TAX PROFIT/LOSS

Firms reporting a “profit” in their 2014 pre-tax profit/loss accounts forecasts were 78%. Firms reporting an “increase” in their net profit (including the case that any loss will diminish or vanish) accounted for 28%, whereas those reporting a “decrease” in their net profit accounted for 51 %. (Table 3-1)

The percentage of firms anticipating a “profit” in their 2015 pre-tax profit/loss forecast was 83%. Firms anticipating an “increase” in their pre-tax profit were 43%, whereas those anticipating a “decrease” in their pre-tax profit were 23%. (Table 3-2)

(Table 3-1) Pre-tax profit/loss in 2014 (from the previous year)

		Unit: No. of firms (%)						
Industry		Profit	Balance	Loss	Total	Profit increase	No change	Profit decrease
Manufacturing	Food	5 (100)	0 (0)	0 (0)	5	2 (40)	1 (20)	2 (40)
	Textiles	13 (87)	0 (0)	2 (13)	15	6 (40)	4 (27)	5 (33)
	Chemicals	28 (88)	0 (0)	4 (13)	32	9 (28)	3 (9)	20 (63)
	Steel/Non-ferrous metal	21 (70)	1 (3)	8 (27)	30	10 (33)	3 (10)	17 (57)
	General machinery	10 (77)	1 (8)	2 (15)	13	3 (23)	1 (8)	9 (69)
	Electrical/electronic machinery	38 (83)	2 (4)	6 (13)	46	16 (35)	14 (30)	16 (35)
	Transportation machinery	40 (74)	7 (13)	7 (13)	54	15 (28)	5 (9)	34 (63)
	Others	28 (82)	2 (6)	4 (12)	34	10 (29)	8 (24)	16 (47)
Manufacturing sector total		183 (80)	13 (6)	33 (14)	229	71 (31)	39 (17)	119 (52)
Non-manufacturing	Trading	41 (76)	1 (2)	12 (22)	54	13 (24)	14 (26)	27 (50)
	Retailing	6 (50)	0 (0)	6 (50)	12	2 (17)	3 (25)	7 (58)
	Finance/Insurance/Securities	11 (85)	1 (8)	1 (8)	13	4 (31)	4 (31)	5 (38)
	Construction/Civil engineering	17 (81)	0 (0)	4 (19)	21	2 (10)	6 (29)	13 (62)
	Transportation/Communication	19 (76)	3 (12)	3 (12)	25	8 (32)	5 (20)	12 (48)
	Others	20 (74)	2 (7)	5 (19)	27	7 (26)	7 (26)	13 (48)
	Non-manufacturing sector total	114 (75)	7 (5)	31 (20)	152	36 (24)	39 (26)	77 (51)
Total		297 (78)	20 (5)	64 (17)	381	107 (28)	78 (20)	196 (51)

(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 in 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 of pre-tax profit/loss in 2015 (from the previous year)

		Unit: No. of firms (%)						
Industry		Profit	Balance	Loss	Total	Profit increase	No change	Profit decrease
Manufacturing	Food	5 (100)	0 (0)	0 (0)	5	3 (60)	1 (20)	1 (20)
	Textiles	14 (93)	1 (7)	0 (0)	15	6 (40)	4 (27)	5 (33)
	Chemicals	29 (91)	2 (6)	1 (3)	32	15 (47)	10 (31)	7 (22)
	Steel/Non-ferrous metal	22 (76)	2 (7)	5 (17)	29	13 (45)	10 (34)	6 (21)
	General machinery	11 (85)	1 (8)	1 (8)	13	3 (23)	6 (46)	4 (31)
	Electrical/electronic machinery	40 (91)	2 (5)	2 (5)	44	21 (48)	15 (34)	8 (18)
	Transportation machinery	44 (86)	2 (4)	5 (10)	51	21 (41)	17 (33)	13 (25)
	Others	28 (82)	4 (12)	2 (6)	34	12 (35)	12 (35)	10 (29)
Manufacturing sector total		193 (87)	14 (6)	16 (7)	223	94 (42)	75 (34)	54 (24)
Non-manufacturing	Trading	43 (78)	4 (7)	8 (15)	55	26 (47)	19 (35)	10 (18)
	Retailing	9 (69)	3 (23)	1 (8)	13	8 (62)	4 (31)	1 (8)
	Finance/Insurance/Securities	11 (85)	1 (8)	1 (8)	13	4 (31)	6 (46)	3 (23)
	Construction/Civil engineering	17 (74)	3 (13)	3 (13)	23	9 (39)	5 (22)	9 (39)
	Transportation/Communication	20 (80)	4 (16)	1 (4)	25	13 (52)	8 (32)	4 (16)
	Others	21 (75)	4 (14)	3 (11)	28	10 (36)	11 (39)	7 (25)
	Non-manufacturing sector total	121 (77)	19 (12)	17 (11)	157	70 (45)	53 (34)	34 (22)
Total		314 (83)	33 (9)	33 (9)	380	164 (43)	128 (34)	88 (23)

(Note) Same as Table 3-1.

4. CAPITAL INVESTMENT (MANUFACTURING SECTOR)

The amount of planned capital investment (in the manufacturing sector) in 2015 is expected to increase by 2.6% from 2014 (The total number of responding firms was 228). The percentage of the firms which anticipate “Increase” in their capital investments in 2014 was 35%. 29% of the firms anticipate “Decrease”. (Table 4-1)

The predominant reason for capital investment was “replacement” in both 2014 and 2015. (Table 4-2 and Table 4-3)

(Table 4-1) Planned capital investment for 2014 and 2015 (all industries)

Unit: No. of firms and (%), Million Baht and %

Industry	2014	2015		No. of firms				
	Amount	Amount	Increase %	Increase	No change	Decrease	Undecided	Total
Food	2,372	2,575	8.6	2 (40)	1 (20)	1 (20)	1 (20)	5
Textiles	1,758	3,444	95.9	6 (40)	2 (13)	4 (27)	3 (20)	15
Chemicals	5,908	6,801	15.1	11 (35)	14 (45)	5 (16)	1 (3)	31
Steel/Non-ferrous metal	4,504	3,517	-21.9	15 (52)	5 (17)	9 (31)	0 (0)	29
General machinery	73	69	-6.4	2 (15)	4 (31)	4 (31)	3 (23)	13
Electrical/Electronic machinery	12,234	16,318	33.4	20 (43)	15 (32)	10 (21)	2 (4)	47
Transportation machinery	48,622	44,789	-7.9	16 (30)	11 (20)	24 (44)	3 (6)	54
Others	3,281	3,255	-0.8	8 (24)	13 (38)	9 (26)	4 (12)	34
Manufacturing sector	78,752	80,767	2.6	80 (35)	65 (29)	66 (29)	17 (7)	228

(Note) The figures in the table above show just the totals of the data from firms responding both for 2014 and 2015. The capital-investment amount in the table above does not equal that of all the Japanese corporations as a whole.

(Table 4-2) Details of actual capital investment in 2014 (check all that apply)

Unit: No. of firms and (%)

Industry	New	Expansion	Replacement	Streamlining	Flood disaster prevention	Others	Total	Response
Food	3 (60)	1 (20)	4 (80)	5 (100)	1 (20)	1 (20)	15	5
Textiles	9 (60)	4 (27)	10 (67)	5 (33)	0 (0)	0 (0)	28	15
Chemicals	7 (22)	5 (16)	23 (72)	13 (41)	1 (3)	3 (9)	52	32
Steel/Non-ferrous metal	13 (45)	7 (24)	15 (52)	7 (24)	1 (3)	0 (0)	43	29
General machinery	3 (25)	4 (33)	2 (17)	2 (17)	0 (0)	4 (33)	15	12
Electrical/Electronic machinery	18 (42)	16 (37)	24 (56)	13 (30)	0 (0)	1 (2)	72	43
Transportation machinery	33 (63)	16 (31)	21 (40)	20 (38)	4 (8)	3 (6)	97	52
Others	10 (31)	8 (25)	11 (34)	12 (38)	0 (0)	0 (0)	41	32
Manufacturing sector	96 (44)	61 (28)	110 (50)	77 (35)	7 (3)	12 (5)	363	220

(Table 4-3) Details of actual capital investment in 2015 (check all that apply)

Unit: No. of firms and (%)

Industry	New	Expansion	Replacement	Streamlining	Flood disaster prevention	Others	Total	Response
Food	3 (75)	2 (50)	4 (100)	3 (75)	1 (25)	1 (25)	14	4
Textiles	5 (36)	6 (43)	8 (57)	5 (36)	0 (0)	0 (0)	24	14
Chemicals	9 (28)	7 (22)	23 (72)	17 (53)	0 (0)	2 (6)	58	32
Steel/Non-ferrous metal	11 (38)	9 (31)	13 (45)	10 (34)	0 (0)	2 (7)	45	29
General machinery	5 (45)	2 (18)	3 (27)	3 (27)	0 (0)	1 (9)	14	11
Electrical/Electronic machinery	23 (55)	17 (40)	21 (50)	12 (29)	0 (0)	0 (0)	73	42
Transportation machinery	26 (50)	22 (42)	22 (42)	22 (42)	2 (4)	1 (2)	95	52
Others	9 (30)	10 (33)	8 (27)	14 (47)	0 (0)	1 (3)	42	30
Manufacturing sector	91 (43)	75 (35)	102 (48)	86 (40)	3 (1)	8 (4)	365	214

5. EXPORT TREND

The percentage of firms reporting an “increase” in their exports accounted for 35% in the second half of 2014 and 37% in the full year of 2014 and exceeded the “decrease” in both terms. The percentage of firms reporting which anticipate “increase” in their exports accounted for 37% in the first year of 2015 and exceeded the “decrease” (11%) by 26 points. (Table 5-1, Table 5-2, Table 5-3).

(Table 5-1) Exports in 2014 (second half)

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	2 (40)	0 (0)	0 (0)	2 (40)	3 (60)	0 (0)	0 (0)	0 (0)	0 (0)	5
Textiles	6 (43)	1 (7)	0 (0)	5 (36)	5 (36)	3 (21)	3 (21)	0 (0)	0 (0)	14
Chemicals	12 (39)	2 (6)	5 (16)	5 (16)	15 (48)	4 (13)	4 (13)	0 (0)	0 (0)	31
Steel/Non-ferrous metal	10 (38)	0 (0)	4 (15)	6 (23)	14 (54)	2 (8)	0 (0)	1 (4)	1 (4)	26
General machinery	1 (8)	0 (0)	1 (8)	0 (0)	11 (92)	0 (0)	0 (0)	0 (0)	0 (0)	12
Electrical/Electronic machinery	25 (56)	7 (16)	9 (20)	9 (20)	16 (36)	4 (9)	2 (4)	2 (4)	0 (0)	45
Transportation machinery	17 (33)	2 (4)	8 (16)	7 (14)	21 (41)	13 (25)	7 (14)	4 (8)	2 (4)	51
Others	9 (30)	1 (3)	1 (3)	7 (23)	13 (43)	8 (27)	5 (17)	3 (10)	0 (0)	30
Manufacturing sector total	82 (38)	13 (6)	28 (13)	41 (19)	98 (46)	34 (16)	21 (10)	10 (5)	3 (1)	214
Trading	12 (26)	1 (2)	5 (11)	6 (13)	29 (63)	5 (11)	4 (9)	0 (0)	1 (2)	46
Retailing	0 (0)	0 (0)	0 (0)	0 (0)	4 (80)	1 (20)	1 (20)	0 (0)	0 (0)	5
Construction	0 (0)	0 (0)	0 (0)	0 (0)	2 (67)	1 (33)	1 (33)	0 (0)	0 (0)	3
Others	1 (25)	0 (0)	1 (25)	0 (0)	3 (75)	0 (0)	0 (0)	0 (0)	0 (0)	4
Non-manufacturing sector	13 (22)	1 (2)	6 (10)	6 (10)	38 (66)	7 (12)	6 (10)	0 (0)	1 (2)	58
Total	95 (35)	14 (5)	34 (13)	47 (17)	136 (50)	41 (15)	27 (10)	10 (4)	4 (1)	272

(Table 5-2) Exports in 2014 (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	3 (60)	0 (0)	0 (0)	3 (60)	2 (40)	0 (0)	0 (0)	0 (0)	0 (0)	5
Textiles	8 (62)	1 (8)	1 (8)	6 (46)	1 (8)	4 (31)	3 (23)	1 (8)	0 (0)	13
Chemicals	13 (41)	2 (6)	4 (13)	7 (22)	16 (50)	3 (9)	3 (9)	0 (0)	0 (0)	32
Steel/Non-ferrous metal	11 (41)	0 (0)	6 (22)	5 (19)	15 (56)	1 (4)	0 (0)	0 (0)	1 (4)	27
General machinery	1 (8)	1 (8)	0 (0)	0 (0)	11 (92)	0 (0)	0 (0)	0 (0)	0 (0)	12
Electrical/Electronic machinery	24 (53)	7 (16)	10 (22)	7 (16)	17 (38)	4 (9)	3 (7)	1 (2)	0 (0)	45
Transportation machinery	19 (37)	1 (2)	8 (16)	10 (20)	22 (43)	10 (20)	3 (6)	5 (10)	2 (4)	51
Others	9 (30)	1 (3)	1 (3)	7 (23)	12 (40)	9 (30)	5 (17)	4 (13)	0 (0)	30
Manufacturing sector total	88 (41)	13 (6)	30 (14)	45 (21)	96 (45)	31 (14)	17 (8)	11 (5)	3 (1)	215
Trading	12 (26)	2 (4)	5 (11)	5 (11)	29 (63)	5 (11)	3 (7)	1 (2)	1 (2)	46
Retailing	0 (0)	0 (0)	0 (0)	0 (0)	4 (80)	1 (20)	1 (20)	0 (0)	0 (0)	5
Construction	0 (0)	0 (0)	0 (0)	0 (0)	2 (67)	1 (33)	1 (33)	0 (0)	0 (0)	3
Others	0 (0)	0 (0)	0 (0)	0 (0)	3 (75)	1 (25)	0 (0)	0 (0)	1 (25)	4
Non-manufacturing sector	12 (21)	2 (3)	5 (9)	5 (9)	38 (66)	8 (14)	5 (9)	1 (2)	2 (3)	58
Total	100 (37)	15 (5)	35 (13)	50 (18)	134 (49)	39 (14)	22 (8)	12 (4)	5 (2)	273

(Table 5-3) Exports in 2015 (first 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	3 (60)	0 (0)	0 (0)	3 (60)	2 (40)	0 (0)	0 (0)	0 (0)	0 (0)	5
Textiles	7 (54)	1 (8)	0 (0)	6 (46)	5 (38)	1 (8)	1 (8)	0 (0)	0 (0)	13
Chemicals	10 (32)	4 (13)	2 (6)	4 (13)	16 (52)	5 (16)	3 (10)	2 (6)	0 (0)	31
Steel/Non-ferrous metal	5 (19)	0 (0)	1 (4)	4 (15)	19 (73)	2 (8)	2 (8)	0 (0)	0 (0)	26
General machinery	1 (8)	0 (0)	0 (0)	1 (8)	10 (83)	1 (8)	0 (0)	0 (0)	1 (8)	12
Electrical/Electronic machinery	25 (57)	7 (16)	6 (14)	12 (27)	18 (41)	1 (2)	0 (0)	1 (2)	0 (0)	44
Transportation machinery	20 (40)	2 (4)	4 (8)	14 (28)	22 (44)	8 (16)	3 (6)	0 (0)	5 (10)	50
Others	9 (30)	1 (3)	4 (13)	4 (13)	14 (47)	7 (23)	5 (17)	2 (7)	0 (0)	30
Manufacturing sector total	80 (38)	15 (7)	17 (8)	48 (23)	106 (50)	25 (12)	14 (7)	5 (2)	6 (3)	211
Trading	17 (37)	2 (4)	7 (15)	8 (17)	26 (57)	3 (7)	1 (2)	1 (2)	1 (2)	46
Retailing	1 (20)	0 (0)	0 (0)	1 (20)	4 (80)	0 (0)	0 (0)	0 (0)	0 (0)	5
Construction	0 (0)	0 (0)	0 (0)	0 (0)	2 (67)	1 (33)	1 (33)	0 (0)	0 (0)	3
Others	1 (25)	0 (0)	1 (25)	0 (0)	3 (75)	0 (0)	0 (0)	0 (0)	0 (0)	4
Non-manufacturing sector	19 (33)	2 (3)	8 (14)	9 (16)	35 (60)	4 (7)	2 (3)	1 (2)	1 (2)	58
Total	99 (37)	17 (6)	25 (9)	57 (21)	141 (52)	29 (11)	16 (6)	6 (2)	7 (3)	269

6. PROSPECTIVE FUTURE MARKETS

For the prospective future markets (check all that apply), the predominant response was “Indonesia” (51%) followed by “Vietnam” (36%), “India” (31%), “Myanmar” (30%), and “Cambodia” (19%) (*Table 6*)

Industry		Indonesia	Vietnam	India	Myanmar	Cambodia	Japan	Malaysia	Laos	China	Philippines	USA	Europe	Middle East	Latin America	Singapore	Bangladesh	Oceania	Pakistan	Russia	Africa	Srilanka	Others	Total	No. of firms
Manufacturing	Food	2 (40)	1 (20)	0 (0)	1 (20)	1 (20)	2 (40)	0 (0)	1 (20)	0 (0)	1 (20)	2 (40)	2 (40)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (20)	0 (0)	0 (0)	0 (0)	14	5
	Textile	7 (54)	6 (46)	2 (15)	3 (23)	4 (31)	3 (23)	0 (0)	1 (8)	4 (31)	0 (0)	1 (8)	2 (15)	2 (15)	1 (8)	0 (0)	4 (31)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	40	13
	Chemical	17 (53)	13 (41)	15 (47)	12 (38)	7 (22)	1 (3)	6 (19)	9 (28)	7 (22)	2 (6)	2 (6)	1 (3)	2 (6)	3 (9)	3 (9)	2 (6)	2 (6)	0 (0)	1 (3)	0 (0)	0 (0)	0 (0)	105	32
	Steel/Non-ferrous metal	12 (55)	8 (36)	8 (36)	6 (27)	3 (14)	1 (5)	1 (5)	2 (9)	2 (9)	4 (18)	4 (18)	1 (5)	2 (9)	1 (5)	0 (0)	1 (5)	0 (0)	1 (5)	0 (0)	1 (5)	1 (5)	0 (0)	59	22
	General machinery	7 (54)	8 (62)	6 (46)	5 (38)	3 (23)	1 (8)	3 (23)	2 (15)	0 (0)	2 (15)	0 (0)	0 (0)	0 (0)	0 (0)	1 (8)	0 (0)	0 (0)	1 (8)	0 (0)	0 (0)	0 (0)	0 (0)	39	13
	Electrical/electronic machinery	18 (44)	9 (22)	10 (24)	10 (24)	8 (20)	11 (27)	10 (24)	7 (17)	10 (24)	6 (15)	10 (24)	8 (20)	3 (7)	3 (7)	2 (5)	1 (2)	3 (7)	1 (2)	1 (2)	2 (5)	0 (0)	4 (10)	137	41
	Transportation machinery	32 (65)	11 (22)	16 (33)	7 (14)	3 (6)	6 (12)	8 (16)	2 (4)	3 (6)	8 (16)	5 (10)	3 (6)	5 (10)	8 (16)	1 (2)	0 (0)	4 (8)	2 (4)	3 (6)	1 (2)	1 (2)	0 (0)	129	49
	Others	11 (37)	11 (37)	11 (37)	9 (30)	6 (20)	7 (23)	4 (13)	3 (10)	4 (13)	3 (10)	2 (7)	5 (17)	4 (13)	0 (0)	5 (17)	1 (3)	1 (3)	0 (0)	0 (0)	0 (0)	0 (0)	1 (3)	88	30
	Manufacturing sector total	106 (52)	67 (33)	68 (33)	53 (26)	35 (17)	32 (16)	32 (16)	27 (13)	30 (15)	26 (13)	26 (13)	22 (11)	18 (9)	16 (8)	12 (6)	9 (4)	10 (5)	5 (2)	6 (3)	4 (2)	2 (1)	5 (2)	611	205
Non-manufacturing	Trading	28 (57)	25 (51)	13 (27)	21 (43)	13 (27)	10 (20)	4 (8)	10 (20)	3 (6)	5 (10)	3 (6)	1 (2)	3 (6)	4 (8)	0 (0)	3 (6)	1 (2)	3 (6)	0 (0)	1 (2)	0 (0)	1 (2)	152	49
	Retailing	1 (17)	1 (17)	0 (0)	2 (33)	1 (17)	0 (0)	0 (0)	1 (17)	1 (17)	0 (0)	0 (0)	0 (0)	1 (17)	0 (0)	1 (17)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (17)	10	6
	Construction/Civil engineering	1 (33)	1 (33)	0 (0)	1 (33)	1 (33)	0 (0)	2 (67)	1 (33)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (33)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	8	3
	Others	2 (29)	3 (43)	2 (29)	5 (71)	2 (29)	1 (14)	3 (43)	2 (29)	1 (14)	1 (14)	0 (0)	0 (0)	0 (0)	0 (0)	1 (14)	0 (0)	0 (0)	1 (14)	0 (0)	0 (0)	0 (0)	0 (0)	24	7
	Non-manufacturing sector total	32 (49)	30 (46)	15 (23)	29 (45)	17 (26)	11 (17)	9 (14)	14 (22)	5 (8)	6 (9)	3 (5)	1 (2)	4 (6)	4 (6)	3 (5)	3 (5)	1 (2)	4 (6)	0 (0)	1 (2)	0 (0)	2 (3)	194	65
Total		138 (51)	97 (36)	83 (31)	82 (30)	52 (19)	43 (16)	41 (15)	41 (15)	35 (13)	32 (12)	29 (11)	23 (9)	22 (8)	20 (7)	15 (6)	12 (4)	11 (4)	9 (3)	6 (2)	5 (2)	2 (1)	7 (3)	805	270
This time		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	—		
Previous rank		1	2	3	4	6	5	7	9	8	10	11	12	14	13	16	18	17	19	—	15	20	—		
Last but one time		1	2	4	3	6	5	8	7	12	9	14	11	10	13	16	17	18	19	—	15	—	—		

7. EXCHANGE RATES USED IN BUSINESS PLANS

(1) Thai Baht/ US dollar

Regarding the exchange rate used in business plans (Thai Baht/ US dollar), the predominant response was “A range between not less than 32.0 but less than 32.5 (33.2%) followed by “Not less than 32.5 but less than 33.0” (23.9%). The median rate was 32.3%. (Table 7-1)

(Table 7-1) Exchange rates used in business plan (Thai Baht/ US dollar)

Unit: Thai Baht/ US dollar, No. of firms and (%)

Industry Thai Baht/ US dollar	Manufacturing									Non-manufacturing				Grand total
	Food	Textiles	Chemicals	Steel/ Non-ferrous metal	General machinery	Electrical/Electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retailing	Others	Non- manufacturing total	
Not less than 29.0 but less than 29.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0 (0.0)
Not less than 29.5 but less than 30.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0 (0.0)
Not less than 30.0 but less than 30.5	0	1	0	0	2	1	1	0	5	0	2	1	3	8 (4.3)
Not less than 30.5 but less than 31.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0 (0.0)
Not less than 31.0 but less than 31.5	0	1	2	3	1	2	3	1	13	3	1	0	4	17 (9.2)
Not less than 31.5 but less than 32.0	0	1	1	1	0	2	5	2	12	1	0	0	1	13 (7.1)
Not less than 32.0 but less than 32.5	1	4	9	10	0	15	9	7	55	5	0	1	6	61 (33.2)
Not less than 32.5 but less than 33.0	3	4	6	5	0	9	3	7	37	7	0	0	7	44 (23.9)
Not less than 33.0 but less than 33.5	0	1	7	1	4	3	9	1	26	5	0	0	5	31 (16.8)
Not less than 33.5 but less than 34.0	0	0	1	0	0	0	0	0	1	0	0	0	0	1 (0.5)
Not less than 34.0 but less than 34.5	0	0	0	0	1	1	0	0	2	2	0	0	2	4 (2.2)
Not less than 34.5 but less than 35.0	0	0	0	0	0	0	0	0	0	1	0	0	1	1 (0.5)
Not less than 35.0 but less than 35.5	0	0	0	0	1	0	1	0	2	2	0	0	2	4 (2.2)
Not less than 35.5 but less than 36.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0 (0.0)
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	0	0	0	0	0	0	0	0	0 (0.0)
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	0	0	0	0	0 (0.0)
No. of firms	4	12	26	20	9	33	31	18	153	26	3	2	31	184
Average	32.46	31.97	32.46	30.74	32.50	32.26	32.31	32.20	32.09	32.64	30.42	31.00	32.40	32.15
Median	32.50	32.05	32.50	32.00	33.00	32.26	32.30	32.10	32.30	32.50	30.00	31.00	32.50	32.30
Mode	32.50	32.50	33.00	32.00	33.00	32.00	33.00	32.00	32.00	32.00	30.00	#N/A	32.00	32.00

(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 median 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 previous survey)

Industry Thai Baht/ US dollar	Manufacturing									Non-manufacturing				Grand total
	Food	Textiles	Chemicals	Steel/Non-ferrous metal	General machinery	Electrical/Electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retailing	Others	Non- manufacturing	
Average	32.12	31.48	32.06	32.14	32.58	31.88	31.47	31.85	31.89	32.09	32.00	30.00	32.03	31.91
Median	32.30	31.85	32.20	32.30	32.25	32.00	31.50	32.00	32.00	32.00	32.00	30.00	32.00	32.00
Mode	#N/A	32.00	32.00	32.30	32.00	32.00	31.00	32.00	32.00	32.00	32.00	30.00	32.00	32.00

(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 median 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.

(2) Japanese Yen/ Thai Baht

Regarding the exchange rate used in business plans (Japanese Yen/ Thai Baht), the predominant response was “Not less than 3.2 but less than 3.3” (21.6%), followed by “Not less than 3.2 but less than 3.4” (16.4%). The median rate was 3.3. (Table 7-2)

(Table 7-2) Exchange rates used in business plan (Japanese Yen/ Thai Baht)

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

Industry Japanese Yen/ Thai Baht	Manufacturing									Non-manufacturing				Grand total
	Food	Textiles	Chemicals	Steel/Non-ferrous metal	General machinery	Electrical/electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retailing	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	1	0	0	0	0	0	1	1	0	0	1	2 (0.9)
Not less than 2.3 but less than 2.4	0	0	1	0	0	1	0	0	2	1	0	0	1	3 (1.3)
Not less than 2.4 but less than 2.5	0	1	0	0	0	0	1	0	2	0	0	0	0	2 (0.9)
Not less than 2.5 but less than 2.6	0	0	0	3	1	1	8	4	17	2	2	1	5	22 (9.5)
Not less than 2.6 but less than 2.7	0	1	3	2	2	8	10	3	29	5	1	0	6	35 (15.1)
Not less than 2.7 but less than 2.8	0	1	5	4	1	11	14	2	38	7	2	3	12	50 (21.6)
Not less than 2.8 but less than 2.9	0	1	8	3	4	4	4	6	30	7	0	1	8	38 (16.4)
Not less than 2.9 but less than 3.0	1	0	3	3	1	2	3	5	18	5	0	0	5	23 (9.9)
Not less than 3.0 but less than 3.1	2	4	3	2	2	5	2	2	22	9	0	2	11	33 (14.2)
Not less than 3.1 but less than 3.2	1	3	2	1	1	4	4	1	17	6	0	1	7	24 (10.3)
Not less than 3.2 but less than 3.3	0	1	0	1	0	0	0	1	3	1	0	0	1	4 (1.7)
Not less than 3.3 but less than 3.4	0	1	0	0	0	0	0	0	1	1	0	0	1	2 (0.9)
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	0	0	1	1	0	0	0	0	1 (0.4)
No. of firms	4	12	24	19	12	35	45	25	176	43	5	8	56	232

Average	3.50	3.46	3.29	3.29	3.32	4.03	3.22	3.20	3.43	3.35	3.11	3.32	3.32	3.40
Median	3.50	3.50	3.30	3.30	3.30	3.20	3.20	3.30	3.30	3.39	3.13	3.27	3.30	3.30
Mode	3.50	3.50	3.30	3.20	3.30	3.20	3.20	3.30	3.20	3.50	3.00	3.50	3.50	3.20

(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 median 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 previous survey)

Industry Japanese Yen/ Thai Baht	Manufacturing									Non-manufacturing				Grand total
	Food	Textiles	Chemicals	Steel/Non-ferrous metal	General machinery	Electrical/electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retailing	Others	Non-manufacturing sector total	
Average	3.15	3.17	3.13	3.15	3.13	3.15	3.12	3.08	3.13	3.16	3.15	3.04	3.14	3.13
Median	3.20	3.19	3.19	3.11	3.20	3.17	3.10	3.10	3.11	3.19	3.15	3.10	3.17	3.13
Mode	3.20	3.13	3.20	3.10	3.20	3.20	3.20	3.10	3.20	3.20	#N/A	3.10	3.20	3.20

(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 median 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.

8. PROCUREMENT SOURCE OF PARTS/ MATERIALS

The ratio of procurement sources in 2014 (simple average of the respondents) was 56.5% for “ASEAN”, including 48.6% for “Thailand”. (Table 8-1)

Regarding the ratio of planned procurement sources in 2015, the percentage for “Thailand” and “ASEAN (other than Thailand)” increased slightly from 2014, and the percentage for “Japan” and “China” is expected to decrease slightly. (Table 8-2)

(Table 8-1) Suppliers of parts and materials in 2014

Unit: %

Industry		ASEAN			Japan	China	Others	Total	No. of firms
			Thailand	ASEAN (other than Thailand)					
Manufacturing	Food	83.1	81.9	1.2	7.3	4.1	5.4	100.0	5
	Textiles	58.6	50.1	8.5	20.6	15.5	5.3	100.0	12
	Chemicals	61.6	51.7	9.9	26.0	5.0	7.3	100.0	29
	Steel/Non-ferrous metal	42.4	37.6	4.8	46.9	3.8	6.8	100.0	27
	General machinery	50.2	45.9	4.2	44.5	3.8	1.5	100.0	13
	Electrical/electronic machinery	55.2	45.7	9.5	30.4	9.0	5.4	100.0	41
	Transportation machinery	68.1	62.4	5.7	27.1	2.3	2.4	100.0	52
	Others	57.7	53.6	4.1	32.3	0.2	9.8	100.0	29
	Manufacturing average	59.6	53.6	6.0	29.4	5.5	5.5	100.0	208
Non-manufacturing	Trading	58.1	42.5	15.6	32.2	4.5	5.1	100.0	51
	Retailing	35.6	35.0	0.6	63.4	0.2	0.7	100.0	7
	Construction	73.8	66.3	7.5	11.3	15.0	0.0	100.0	4
	Others	45.8	30.4	15.4	48.0	3.0	3.2	100.0	5
	Non-manufacturing average	53.3	43.5	9.8	38.7	5.7	2.3	100.0	67
Total		56.5	48.6	7.9	34.1	5.6	3.9	100.0	275

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

(Table 8-2) Suppliers of parts and materials in 2015

Unit: %

Industry		ASEAN			Japan	China	Others	Total	No. of firms
			Thailand	ASEAN (other than Thailand)					
Manufacturing	Food	83.1	81.9	1.2	7.3	4.1	5.4	100.0	5
	Textiles	61.6	53.1	8.5	19.3	14.2	4.9	100.0	12
	Chemicals	62.0	52.0	9.9	24.7	5.3	8.1	100.0	29
	Steel/Non-ferrous	46.0	41.0	5.0	42.9	4.4	6.7	100.0	27
	General machinery	54.5	46.1	8.5	39.3	3.8	2.3	100.0	13
	Electrical/electronic	55.6	45.8	9.8	29.9	9.1	5.4	100.0	41
	Transportation machinery	69.0	63.5	5.5	24.5	2.3	4.2	100.0	52
	Others	60.1	54.9	5.2	29.1	0.2	10.7	100.0	29
	Manufacturing average	61.5	54.8	6.7	27.1	5.4	6.0	100.0	208
Non-manufacturing	Trading	58.6	42.2	16.5	32.2	4.6	4.6	100.0	49
	Retailing	39.2	37.1	2.0	59.9	0.2	0.7	100.0	7
	Construction	81.3	66.3	15.0	11.3	7.5	0.0	100.0	4
	Others	50.8	36.0	14.8	41.0	8.0	0.2	100.0	5
	Non-manufacturing average	57.5	45.4	12.1	36.1	5.1	1.4	100.0	65
Total		59.5	50.1	9.4	31.6	5.3	3.7	100.0	273

(Note) Same as Table 8-1.

9. CHALLENGES FOR CORPORATE MANAGEMENT

Regarding the challenges for corporate management (check all that apply), the predominant response was “Severe competition by competitors” (74%), followed by “Lack of human resources at manager-level” (53%) and “Increases in total labor cost” (47%).

By industry, other major response in the manufacturing sector was “Quality management” (31%), and in the non-manufacturing sector “Job hopping by employees” (34%). (Table9)

(Table 9) Challenges for corporate management (check all that apply)

Unit: No. of firms and (%)

Chc. No. Of firms and (%)

Previous ranking	Ranking this time		Manufacturing									Non-manufacturing							Grand total
			Food	Textiles	Chemicals	Steel/Non-ferrous metal	General machinery	Electrical/ electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retailing	Finance/ Insurance/ Securities	Construction/ Civil engineering	Transportation/ Communications	Others	Non-manufacturing sector total	
1	1	Severe competition by competitors	3 (60)	7 (47)	28 (85)	19 (63)	9 (69)	36 (80)	42 (79)	23 (66)	167 (73)	37 (71)	9 (75)	14 (74)	21 (91)	20 (80)	20 (74)	121 (77)	288 (74)
2	2	Lack of human resources at manager-level	3 (60)	10 (67)	21 (64)	15 (50)	8 (62)	21 (47)	30 (57)	18 (51)	126 (55)	24 (46)	3 (25)	9 (47)	15 (65)	16 (64)	14 (52)	81 (51)	207 (53)
2	3	Increase of total labor cost	2 (40)	6 (40)	13 (39)	15 (50)	5 (38)	29 (64)	27 (51)	17 (49)	114 (50)	20 (38)	7 (58)	5 (26)	4 (17)	18 (72)	14 (52)	68 (43)	182 (47)
6	4	Quality of management	0 (0)	8 (53)	5 (15)	10 (33)	4 (31)	11 (24)	20 (38)	13 (37)	71 (31)	4 (8)	2 (17)	1 (5)	8 (35)	12 (48)	5 (19)	32 (20)	103 (27)
8	5	Foreign exchange fluctuation	2 (40)	8 (53)	8 (24)	6 (20)	4 (31)	17 (38)	14 (26)	8 (23)	67 (29)	23 (44)	1 (8)	2 (11)	1 (4)	1 (4)	3 (11)	31 (20)	98 (25)
4	6	Job hopping of employee	0 (0)	5 (33)	6 (18)	5 (17)	3 (23)	8 (18)	10 (19)	5 (14)	42 (18)	25 (48)	2 (17)	3 (16)	4 (17)	9 (36)	11 (41)	54 (34)	96 (25)
9	7	Changes in products/ users' needs	2 (40)	4 (27)	7 (21)	7 (23)	2 (15)	10 (22)	13 (25)	8 (23)	53 (23)	18 (35)	4 (33)	4 (21)	3 (13)	5 (20)	8 (30)	42 (27)	95 (25)
5	8	Hike in material prices	3 (60)	2 (13)	8 (24)	10 (33)	3 (23)	9 (20)	15 (28)	9 (26)	59 (26)	6 (12)	0 (0)	0 (0)	3 (13)	3 (12)	1 (4)	13 (8)	72 (19)
6	9	Lack of human resources for workers/ staff-levels	1 (20)	4 (27)	6 (18)	1 (3)	3 (23)	8 (18)	6 (11)	2 (6)	31 (14)	10 (19)	4 (33)	2 (11)	7 (30)	8 (32)	7 (26)	38 (24)	69 (18)
10	10	Excessive employment	1 (20)	2 (13)	3 (9)	2 (7)	0 (0)	2 (4)	10 (19)	4 (11)	24 (10)	0 (0)	2 (17)	0 (0)	1 (4)	0 (0)	2 (7)	5 (3)	29 (7)
-	11	Increase in energy cost	1 (20)	5 (33)	4 (12)	5 (17)	0 (0)	3 (7)	5 (9)	0 (0)	23 (10)	0 (0)	1 (8)	0 (0)	0 (0)	2 (8)	0 (0)	3 (2)	26 (7)
11	12	Difficulty in collecting money from customers	0 (0)	1 (7)	3 (9)	0 (0)	0 (0)	0 (0)	2 (4)	1 (3)	7 (3)	2 (4)	2 (17)	2 (11)	3 (13)	1 (4)	0 (0)	10 (6)	17 (4)
12	13	Excessive capital investment	0 (0)	1 (7)	2 (6)	3 (10)	1 (8)	1 (2)	2 (4)	2 (6)	12 (5)	1 (2)	0 (0)	0 (0)	0 (0)	2 (8)	1 (4)	4 (3)	16 (4)
14	14	Flood disaster prevention	0 (0)	0 (0)	0 (0)	1 (3)	0 (0)	0 (0)	3 (6)	0 (0)	4 (2)	1 (2)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (1)	5 (1)
13	14	Difficulty in obtaining financial support	0 (0)	0 (0)	0 (0)	0 (0)	1 (8)	0 (0)	1 (2)	1 (3)	3 (1)	0 (0)	1 (8)	0 (0)	1 (4)	0 (0)	0 (0)	2 (1)	5 (1)
15	14	Infringement of intellectual property rights	0 (0)	1 (7)	1 (3)	0 (0)	0 (0)	0 (0)	0 (0)	1 (3)	3 (1)	2 (4)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	2 (1)	5 (1)
-	-	Others	0 (0)	0 (0)	1 (3)	3 (10)	0 (0)	2 (4)	2 (4)	0 (0)	8 (3)	2 (4)	0 (0)	0 (0)	1 (4)	0 (0)	0 (0)	3 (2)	11 (3)
Total			18	64	116	102	43	157	202	112	814	175	38	42	72	97	86	510	1,324
No. of firms			5	15	33	30	13	45	53	35	229	52	12	19	23	25	27	158	387 (100)

(Note) " Increase in energy cost" has been added from this time.

10. REQUESTS TO THE THAI GOVERNMENT

Regarding requests to the Thai government (check all that apply), the predominant response was “Stability of the political situation and security” (76%), followed by “Customs-related systems and their implementation” (48%), and “Development of infrastructure in the Bangkok metropolitan area” (43%).

By industry, other major response in the manufacturing sector was “Implementation of tax-related systems” (28%), and in the non-manufacturing sector “Relaxation of the Foreign Business Act” (45%) and “Work permit/visa-related issues” (35%). (*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	Textiles	Chemicals	Steel/Non-ferrous metal	General machinery	Electrical/Electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retailing	Finance/ Insurance/ Securities	Construction/ Civil engineering	Transportation/ Communications	Others	Non-manufacturing sector total	
1	1	Stability of the political situation and security	4 (80)	11 (73)	24 (73)	20 (67)	11 (85)	35 (80)	42 (79)	26 (74)	173 (76)	40 (78)	11 (92)	16 (80)	19 (79)	17 (68)	18 (67)	121 (76)	294 (76)
3	2	Customs-related systems and their implementation	2 (40)	3 (20)	16 (48)	17 (57)	7 (54)	25 (57)	29 (55)	14 (40)	113 (50)	33 (65)	5 (42)	2 (10)	5 (21)	13 (52)	13 (48)	71 (45)	184 (48)
2	3	Development of infrastructure in the Bangkok metropolitan area	1 (20)	6 (40)	14 (42)	14 (47)	6 (46)	16 (36)	22 (42)	14 (40)	93 (41)	24 (47)	5 (42)	12 (60)	7 (29)	13 (52)	11 (41)	72 (45)	165 (43)
6	4	Relaxation of the Foreign Business Act	1 (20)	5 (33)	7 (21)	3 (10)	5 (38)	4 (9)	9 (17)	8 (23)	42 (18)	25 (49)	5 (42)	7 (35)	9 (38)	15 (60)	11 (41)	72 (45)	114 (29)
11	5	Work permit/visa-related issues	1 (20)	4 (27)	3 (9)	2 (7)	5 (38)	14 (32)	10 (19)	10 (29)	49 (21)	19 (37)	2 (17)	8 (40)	12 (50)	7 (28)	8 (30)	56 (35)	105 (27)
7	6	Implementation of tax-related systems	1 (20)	6 (40)	8 (24)	6 (20)	4 (31)	14 (32)	17 (32)	8 (23)	64 (28)	12 (24)	2 (17)	4 (20)	6 (25)	11 (44)	5 (19)	40 (25)	104 (27)
5	7	Improvement of education/human resource development	1 (20)	6 (40)	6 (18)	9 (30)	2 (15)	7 (16)	15 (28)	11 (31)	57 (25)	4 (8)	1 (8)	3 (15)	4 (17)	11 (44)	10 (37)	33 (21)	90 (23)
4	8	Implementation of flood prevention measures	1 (20)	5 (33)	6 (18)	6 (20)	0 (0)	16 (36)	11 (21)	4 (11)	49 (21)	19 (37)	3 (25)	2 (10)	2 (8)	8 (32)	1 (4)	35 (22)	84 (22)
8	9	Stability in foreign exchange rates	3 (60)	7 (47)	4 (12)	9 (30)	3 (23)	9 (20)	12 (23)	9 (26)	56 (25)	14 (27)	0 (0)	0 (0)	4 (17)	2 (8)	2 (7)	22 (14)	78 (20)
8	9	Promotion of economic ties e.g. FTA, EPA etc.	1 (20)	5 (33)	9 (27)	3 (10)	2 (15)	10 (23)	19 (36)	3 (9)	52 (23)	14 (27)	2 (17)	1 (5)	0 (0)	6 (24)	3 (11)	26 (16)	78 (20)
8	11	Broad-based infrastructure development linking Thailand with neighboring countries	1 (20)	5 (33)	10 (30)	2 (7)	0 (0)	4 (9)	6 (11)	4 (11)	32 (14)	14 (27)	4 (33)	0 (0)	2 (8)	13 (52)	4 (15)	37 (23)	69 (18)
13	12	Prevention of labor disputes	0 (0)	2 (13)	6 (18)	9 (30)	1 (8)	9 (20)	18 (34)	7 (20)	52 (23)	2 (4)	1 (8)	0 (0)	1 (4)	5 (20)	2 (7)	11 (7)	63 (16)
12	13	Development of the communication infrastructure	1 (20)	2 (13)	5 (15)	2 (7)	0 (0)	9 (20)	11 (21)	7 (20)	37 (16)	6 (12)	2 (17)	1 (5)	5 (21)	7 (28)	4 (15)	25 (16)	62 (16)
14	14	Promotion of employment of foreign labour	1 (20)	3 (20)	1 (3)	3 (10)	0 (0)	7 (16)	6 (11)	5 (14)	26 (11)	3 (6)	2 (17)	0 (0)	5 (21)	1 (4)	2 (7)	13 (8)	39 (10)
16	15	Promotion of regional operating headquarters function (e.g. ROH, IPC)	0 (0)	2 (13)	3 (9)	0 (0)	0 (0)	2 (5)	2 (4)	2 (6)	11 (5)	4 (8)	1 (8)	1 (5)	1 (4)	4 (16)	1 (4)	12 (8)	23 (6)
—	16	Protection of intellectual property rights	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (2)	4 (11)	5 (2)	4 (8)	0 (0)	0 (0)	0 (0)	1 (4)	0 (0)	5 (3)	10 (3)
—	17	Promotion of a modal shift	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (2)	0 (0)	0 (0)	0 (0)	4 (16)	0 (0)	5 (3)	5 (1)
-	-	Others	0 (0)	0 (0)	2 (6)	1 (3)	0 (0)	0 (0)	0 (0)	0 (0)	3 (1)	0 (0)	0 (0)	1 (5)	2 (8)	0 (0)	0 (0)	3 (2)	6 (2)
Total			19	72	124	106	46	181	230	136	914	238	46	58	84	138	95	659	1,573
No. of firms			5	15	33	30	13	44	53	35	228	51	12	20	24	25	27	159	387 (100)

(Note) "Protection of intellectual property rights" and "Promoting Modal Shift." have need added from this time.

11. INFLUENCE OF THE POLITICAL SITUATION ON INVESTMENT

(1) Influence of political situation upon existing investment plan

Regarding the influence of political situation upon existing investment plan, (plans decided before the political turmoil in November 2013) (check all that apply), the predominant response was “Not affected” (68%), followed by “Postponed” (8%), and “Reduced” (5%). (Table 11-1)

(Table11-1) Influence of political situation upon existing investment plan (Check all that apply)

Unit: No. of firms and (%)

Industry		Not affected	Postponed	Reduced	Expanded	Suspended	Shifted to other countries	No investment plan has been made	No. of firms
Manufacturing	Food	5 (100)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	5
	Textiles	12 (92)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (8)	13
	Chemicals	24 (73)	3 (9)	2 (6)	2 (6)	1 (3)	0 (0)	3 (9)	33
	Steel/Non-ferrous metal	25 (83)	4 (13)	0 (0)	0 (0)	0 (0)	0 (0)	1 (3)	30
	General machinery	9 (69)	1 (8)	3 (23)	0 (0)	0 (0)	0 (0)	1 (8)	13
	Electrical/Electronic machinery	40 (89)	2 (4)	1 (2)	1 (2)	0 (0)	0 (0)	2 (4)	45
	Transportation machinery	36 (68)	8 (15)	7 (13)	1 (2)	2 (4)	0 (0)	4 (8)	53
	Others	28 (80)	2 (6)	1 (3)	0 (0)	0 (0)	0 (0)	0 (0)	35
	Manufacturing sector total	179 (79)	20 (9)	14 (6)	4 (2)	3 (1)	0 (0)	12 (5)	227
Non-manufacturing	Trading	23 (43)	0 (0)	3 (6)	0 (0)	2 (4)	1 (2)	25 (47)	53
	Retailing	9 (75)	1 (8)	1 (8)	0 (0)	0 (0)	0 (0)	2 (17)	12
	Finance/Insurance/Securities	9 (47)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	10 (53)	19
	Construction/Civil engineering	11 (46)	1 (4)	0 (0)	0 (0)	0 (0)	0 (0)	12 (50)	24
	Transportation/Communications	14 (56)	5 (20)	0 (0)	2 (8)	0 (0)	0 (0)	4 (16)	25
	Others	19 (73)	2 (8)	2 (8)	0 (0)	0 (0)	0 (0)	0 (0)	26
	Non-manufacturing sector total	85 (53)	9 (6)	6 (4)	2 (1)	2 (1)	1 (1)	53 (33)	159
Total		264 (68)	29 (8)	20 (5)	6 (2)	5 (1)	1 (0)	65 (17)	386

(2) Influence of political situation upon new investment plan

Regarding the influence of political situation upon new investment plans, (plans decided after the political turmoil in November 2013) (check all that apply), the predominant response was “Not affected” (66%), followed by “Postponed” (6%), and “Reduced” (4%). (Table 11-2)

(Table11-2) Influence of political situation upon new investment plan (Check all that apply)

Unit: No. of firms and (%)

Industry		Not affected	Postponed	Reduced	Expanded	Suspended	Shifted to other countries	No investment plan has been made	No. of firms
Manufacturing	Food	4 (80)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (20)	5
	Textiles	10 (77)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	3 (23)	13
	Chemicals	23 (70)	3 (9)	2 (6)	1 (3)	2 (6)	0 (0)	3 (9)	33
	Steel/Non-ferrous metal	24 (80)	1 (3)	0 (0)	1 (3)	0 (0)	0 (0)	4 (13)	30
	General machinery	7 (54)	1 (8)	3 (23)	0 (0)	0 (0)	0 (0)	3 (23)	13
	Electrical/Electronic machinery	40 (89)	2 (4)	1 (2)	2 (4)	0 (0)	0 (0)	1 (2)	45
	Transportation machinery	39 (74)	8 (15)	4 (8)	2 (4)	0 (0)	0 (0)	2 (4)	53
	Others	23 (70)	3 (9)	0 (0)	2 (6)	0 (0)	0 (0)	0 (0)	33
	Manufacturing sector total	170 (76)	18 (8)	10 (4)	8 (4)	2 (1)	0 (0)	17 (8)	225
Non-manufacturing	Trading	24 (45)	0 (0)	3 (6)	0 (0)	1 (2)	1 (2)	24 (45)	53
	Retailing	8 (67)	0 (0)	0 (0)	1 (8)	0 (0)	0 (0)	3 (25)	12
	Finance/Insurance/Securities	7 (37)	1 (5)	1 (5)	0 (0)	0 (0)	0 (0)	10 (53)	19
	Construction/Civil engineering	10 (43)	0 (0)	1 (4)	0 (0)	0 (0)	0 (0)	12 (52)	23
	Transportation/Communications	15 (60)	2 (8)	0 (0)	2 (8)	1 (4)	0 (0)	5 (20)	25
	Others	19 (73)	2 (8)	1 (4)	0 (0)	1 (4)	0 (0)	0 (0)	26
	Non-manufacturing sector total	83 (53)	5 (3)	6 (4)	3 (2)	3 (2)	1 (1)	54 (34)	158
Total		253 (66)	23 (6)	16 (4)	11 (3)	5 (1)	1 (0)	71 (19)	383

(3) Influence of the political situation upon Japanese investment in Thailand

Regarding the influence of the political situation upon Japanese investment in Thailand, the predominant response was “No change” (54%), followed by “Increase” (28%), and “Decrease” (18%). (Table 11-3)

(Table 11-3) Influence of the political situation upon Japanese investment in Thailand

Unit: No. of firms and (%)

Industry		Increase		Not change		Decrease		No. of firms
Manufacturing	Food	1	(20)	3	(60)	1	(20)	5
	Textiles	5	(36)	6	(43)	3	(21)	14
	Chemicals	12	(36)	17	(52)	4	(12)	33
	Steel/Non-ferrous metal	6	(20)	19	(63)	5	(17)	30
	General machinery	3	(23)	7	(54)	3	(23)	13
	Electrical/Electronic machinery	6	(13)	33	(73)	6	(13)	45
	Transportation machinery	14	(26)	23	(43)	17	(31)	54
	Others	10	(29)	21	(60)	4	(11)	35
	Manufacturing sector total	57	(25)	129	(56)	43	(19)	229
Non-manufacturing	Trading	16	(30)	28	(53)	9	(17)	53
	Retailing	4	(33)	5	(42)	3	(25)	12
	Finance/Insurance/Securities	7	(35)	10	(50)	3	(15)	20
	Construction/Civil engineering	6	(26)	11	(48)	6	(26)	23
	Transportation/Communications	12	(50)	10	(42)	2	(8)	24
	Others	8	(30)	15	(56)	4	(15)	27
	Non-manufacturing sector total	53	(33)	79	(50)	27	(17)	159
Total		110	(28)	208	(54)	70	(18)	388

(Reference) At previous survey

Unit: No. of firms and (%)

Industry	Increase		Not change		Decrease		No. of firms
Manufacturing sector total	2	(1)	130	(53)	114	(46)	246
Non-manufacturing sector total	2	(1)	76	(45)	92	(54)	170
Total	4	(1)	206	(50)	206	(50)	416

The previous survey period was from May 21 to June 2014

12. BUSINESS DEVELOPMENT TO NEIGHBORING COUNTRIES FROM THAILAND

(1) Expansion to neighboring countries from Thailand

Regarding expansion to neighboring countries from Thailand, The percentage of firms which responded “Expanded already” was 17% and “Planning” was 12% and 25% of firms responded “Uncertain”. (Table 12-1)

(Table12-1) Expansion to neighboring countries from Thailand

Unit: No. of firms and (%)

Industry		Expanded already	Planning	No plan	Uncertain	No. of firms
Manufacturing	Food	2 (40)	0 (0)	1 (20)	2 (40)	5
	Textiles	0 (0)	3 (21)	7 (50)	4 (29)	14
	Chemicals	6 (18)	3 (9)	18 (55)	6 (18)	33
	Steel/Non-ferrous metal	2 (7)	0 (0)	23 (77)	5 (17)	30
	General machinery	0 (0)	3 (21)	7 (50)	4 (29)	14
	Electrical/Electronic machinery	4 (9)	1 (2)	27 (60)	13 (29)	45
	Transportation machinery	12 (23)	5 (9)	23 (43)	13 (25)	53
	Others	2 (6)	5 (14)	19 (54)	9 (26)	35
	Manufacturing sector total	28 (12)	20 (9)	125 (55)	56 (24)	229
Non-manufacturing	Trading	12 (22)	6 (11)	23 (42)	14 (25)	55
	Retailing	3 (25)	0 (0)	5 (42)	4 (33)	12
	Finance/Insurance/Securities	4 (21)	3 (16)	7 (37)	5 (26)	19
	Construction/Civil engineering	9 (38)	3 (13)	8 (33)	4 (17)	24
	Transportation/Communications	6 (22)	7 (26)	7 (26)	7 (26)	27
	Others	3 (11)	7 (26)	8 (30)	9 (33)	27
	Non-manufacturing sector total	37 (23)	26 (16)	58 (35)	43 (26)	164
Total		65 (17)	46 (12)	183 (47)	99 (25)	393

(2) Entry mode to neighboring countries

Regarding the entry mode to neighboring countries (check all that apply), the percentage of the firms which reported “Expand the supply chain (Maintain/expansion of the Thailand site)” and “Aiming at the markets of the neighboring countries (Close or shrink the Thailand site)” was both 39% and 3% of firms responded “Avoid/Diversifying the investment risk”. (Table 12-2)

(Note) Response only by companies that selected “Expanded already” or “Planning” in Question 12-1.

(Table 12-2) Entry mode to neighboring countries (Check all that apply)

Unit: No. of firms and (%)

Industry		Expand the supply chain (Note)	Avoid/diversify the investment risk	Aiming at the markets of the neighboring countries	Others	No. of firms
Manufacturing	Food	0 (0)	1 (50)	1 (50)	0 (0)	2
	Textiles	2 (67)	0 (0)	0 (0)	1 (33)	3
	Chemicals	2 (22)	0 (0)	3 (33)	4 (44)	9
	Steel/Non-ferrous metal	2 (67)	0 (0)	2 (67)	0 (0)	3
	General machinery	1 (33)	0 (0)	2 (67)	0 (0)	3
	Electrical/Electronic machinery	2 (40)	0 (0)	2 (40)	1 (20)	5
	Transportation machinery	4 (22)	0 (0)	11 (61)	3 (17)	18
	Others	6 (75)	0 (0)	2 (25)	0 (0)	8
	Manufacturing sector total	19 (37)	1 (2)	23 (45)	9 (18)	51
Non-manufacturing	Trading	6 (35)	2 (12)	9 (53)	2 (12)	17
	Retailing	2 (67)	0 (0)	0 (0)	1 (33)	3
	Finance/Insurance/Securities	1 (17)	0 (0)	0 (0)	5 (83)	6
	Construction/Civil engineering	4 (36)	0 (0)	3 (27)	5 (45)	11
	Transportation/Communications	7 (58)	0 (0)	2 (17)	3 (25)	12
	Others	4 (40)	0 (0)	6 (60)	2 (20)	10
	Non-manufacturing sector total	24 (41)	2 (3)	20 (34)	18 (31)	59
Total		43 (39)	3 (3)	43 (39)	27 (25)	110

(Note) Transfer of manual-based processes to neighboring countries and expand the supply chain to the neighboring countries (Maintenance/expansion of the Thailand site)

(3) Country to expand to

Regarding countries already entered or plan to expand into (check all that apply), the predominant response was “Indonesia” (51%), followed by “Myanmar” (43%), “Vietnam” (39%), and “Cambodia” (27%). (Table12-3)

(Note) Response only by companies that selected “Expanded already” or “Planning” in Question 12-1.

(Table12-3) Countries already entered or plan to expand into (Check all that apply)

Unit: No. of firms and (%)

Ranking		Manufacturing									Non-manufacturing							Grand total
		Food	Textiles	Chemicals	Steel/Non-ferrous metal	General machinery	Electrical/Electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retailing	Finance/Insurance	Construction/Civil engineering	Transportation/Communications	Others	Non-manufacturing total	
1	Indonesia	0 (0)	0 (0)	4 (44)	2 (100)	1 (33)	3 (60)	13 (76)	3 (43)	26 (54)	10 (56)	2 (67)	2 (29)	4 (33)	4 (33)	8 (80)	30 (48)	56 (51)
2	Myanmar	1 (50)	0 (0)	2 (22)	1 (50)	1 (33)	0 (0)	2 (12)	3 (43)	10 (21)	7 (39)	2 (67)	5 (71)	10 (83)	9 (75)	4 (40)	37 (60)	47 (43)
3	Vietnam	1 (50)	0 (0)	4 (44)	1 (50)	0 (0)	1 (20)	5 (29)	3 (43)	15 (31)	11 (61)	2 (67)	4 (57)	2 (17)	6 (50)	3 (30)	28 (45)	43 (39)
4	Cambodia	1 (50)	1 (33)	1 (11)	0 (0)	2 (67)	0 (0)	1 (6)	2 (29)	8 (17)	2 (11)	2 (67)	3 (43)	6 (50)	8 (67)	1 (10)	22 (35)	30 (27)
5	India	0 (0)	1 (33)	2 (22)	2 (100)	2 (67)	1 (20)	6 (35)	3 (43)	17 (35)	4 (22)	0 (0)	2 (29)	0 (0)	2 (17)	1 (10)	9 (15)	26 (24)
6	China	0 (0)	0 (0)	4 (44)	1 (50)	0 (0)	1 (20)	6 (35)	1 (14)	13 (27)	5 (28)	1 (33)	3 (43)	0 (0)	4 (33)	0 (0)	13 (21)	26 (24)
7	Malaysia	0 (0)	0 (0)	4 (44)	1 (50)	0 (0)	1 (20)	3 (18)	1 (14)	10 (21)	2 (11)	2 (67)	2 (29)	3 (25)	2 (17)	4 (40)	15 (24)	25 (23)
8	Laos	1 (50)	1 (33)	1 (11)	0 (0)	1 (33)	2 (40)	2 (12)	1 (14)	9 (19)	1 (6)	1 (33)	3 (43)	3 (25)	4 (33)	1 (10)	13 (21)	22 (20)
9	Singapore	0 (0)	0 (0)	2 (22)	1 (50)	0 (0)	0 (0)	2 (12)	1 (14)	6 (13)	2 (11)	0 (0)	4 (57)	2 (17)	4 (33)	1 (10)	13 (21)	19 (17)
10	Philippines	0 (0)	0 (0)	1 (11)	1 (50)	0 (0)	0 (0)	0 (0)	1 (14)	3 (6)	3 (17)	0 (0)	3 (43)	0 (0)	3 (25)	1 (10)	10 (16)	13 (12)
—	Others	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (6)	0 (0)	1 (2)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (10)	1 (2)	2 (2)
—	Undecided	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (6)	0 (0)	0 (0)	0 (0)	1 (8)	1 (10)	3 (5)	3 (3)
Total		4	3	25	10	7	9	41	19	118	48	12	31	30	47	26	197	315
No. of firms		2	3	9	2	3	5	17	7	48	18	3	7	12	12	10	62	110 (100)

(4) Reason to expand to the neighboring countries

Regarding reason at Thai side to expand to the neighboring countries, the predominant response was “Increase in labor cost” (22%), followed by “Diversification of risk (Political situation)” (20%) and “Diversification of risk (Flood)” (11%). (Table 12-4)

Regarding reason at the neighboring countries side to expand to the neighboring countries, the predominant response was “Attractive domestic market” (31%), followed by “Existence of customers/suppliers” (18%) and “Inexpensive labor cost” (16%). (Table 12-5)

(Note) Response only by companies that selected “Expanded already” or “Planning” in Question 12-1.

(Table12-4) Reason to expand into neighboring countries (Thailand' side) (Check all that apply)

Unit: No. of firms and (%)

Ranking		Manufacturing									Non-manufacturing							Grand total
		Food	Textiles	Chemicals	Steel/Non-ferrous metal	General machinery	Electrical/Electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retailing	Finance/Insurance	Construction/Civil engineering	Transportation/Communications	Others	Non-manufacturing total	
1	Increase in labor cost	1 (33)	1 (50)	0 (0)	1 (25)	1 (50)	2 (22)	7 (33)	2 (20)	15 (26)	5 (25)	2 (40)	1 (20)	1 (8)	1 (11)	1 (13)	11 (19)	26 (22)
2	Diversification of risk (political situation)	1 (33)	0 (0)	3 (50)	1 (25)	0 (0)	2 (22)	3 (14)	1 (10)	11 (19)	4 (20)	1 (20)	1 (20)	3 (25)	1 (11)	2 (25)	12 (20)	23 (20)
3	Diversification of risk (flood)	0 (0)	0 (0)	1 (17)	1 (25)	0 (0)	2 (22)	0 (0)	2 (20)	6 (11)	3 (15)	0 (0)	0 (0)	1 (8)	1 (11)	2 (25)	7 (12)	13 (11)
4	Labor shortage	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	2 (10)	2 (20)	4 (7)	2 (10)	1 (20)	1 (20)	0 (0)	0 (0)	0 (0)	4 (7)	8 (7)
5	Strengthening of regulations/Change of investment system	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (11)	0 (0)	0 (0)	1 (2)	0 (0)	0 (0)	0 (0)	0 (0)	2 (22)	0 (0)	2 (3)	3 (3)
6	Exclusion from the Generalized System of Preferences (GSP)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (5)	1 (10)	2 (4)	1 (5)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (2)	3 (3)
7	Increase in energy cost	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (10)	1 (2)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (1)
8	Increase in labor disputes	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)
—	Others	1 (33)	1 (50)	2 (33)	1 (25)	1 (50)	2 (22)	8 (38)	1 (10)	17 (30)	5 (25)	1 (20)	2 (40)	7 (58)	4 (44)	3 (38)	22 (37)	39 (34)
Total		3	2	6	4	2	9	21	10	57	20	5	5	12	9	8	59	116
No. of firms		3	2	6	4	2	9	21	10	57	20	5	5	12	9	8	59	116 (100)

(Table12-5) Reason to expand to neighboring countries (neighboring countries' side) (Check all that apply).

Unit: No. of firms and (%)

Ranking		Manufacturing									Non-manufacturing							Grand total
		Food	Textiles	Chemicals	Steel/Non-ferrous metal	General machinery	Electrical/Electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retailing	Finance/Insurance	Construction/Civil engineering	Transportation/Communications	Others	Non-manufacturing total	
1	Attractive domestic market	1 (25)	1 (25)	6 (43)	1 (20)	2 (40)	3 (27)	9 (38)	2 (14)	25 (31)	12 (38)	2 (33)	2 (22)	4 (24)	4 (24)	5 (38)	29 (31)	54 (31)
2	Existence of customers/suppliers	1 (25)	1 (25)	2 (14)	1 (20)	1 (20)	2 (18)	4 (17)	4 (29)	16 (20)	4 (13)	0 (0)	2 (22)	4 (24)	2 (12)	3 (23)	15 (16)	31 (18)
3	Inexpensive labor cost	1 (25)	1 (25)	0 (0)	2 (40)	1 (20)	2 (18)	6 (25)	2 (14)	15 (19)	6 (19)	2 (33)	1 (11)	1 (6)	3 (18)	0 (0)	13 (14)	28 (16)
4	Accessibility from Thailand	1 (25)	1 (25)	0 (0)	0 (0)	0 (0)	1 (9)	0 (0)	3 (21)	6 (7)	4 (13)	2 (33)	0 (0)	1 (6)	3 (18)	2 (15)	12 (13)	18 (10)
5	Abundant labor	0 (0)	0 (0)	1 (7)	1 (20)	0 (0)	0 (0)	3 (13)	0 (0)	5 (6)	5 (16)	0 (0)	1 (11)	0 (0)	0 (0)	2 (15)	8 (9)	13 (7)
6	Efficiency on transportation	0 (0)	0 (0)	3 (21)	0 (0)	1 (20)	1 (9)	1 (4)	0 (0)	6 (7)	1 (3)	0 (0)	0 (0)	0 (0)	4 (24)	0 (0)	5 (5)	11 (6)
7	Can use Thai language	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (9)	0 (0)	1 (7)	2 (2)	0 (0)	0 (0)	1 (11)	2 (12)	0 (0)	0 (0)	3 (3)	5 (3)
8	Satisfactory preferential treatment for investment	0 (0)	0 (0)	1 (7)	0 (0)	0 (0)	1 (9)	0 (0)	1 (7)	3 (4)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	3 (2)
9	Satisfying infrastructure (electricity etc.)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (7)	1 (1)	0 (0)	0 (0)	0 (0)	1 (6)	0 (0)	0 (0)	1 (1)	2 (1)
—	Others	0 (0)	0 (0)	1 (7)	0 (0)	0 (0)	0 (0)	1 (4)	0 (0)	2 (2)	0 (0)	0 (0)	2 (22)	4 (24)	1 (6)	1 (8)	8 (9)	10 (6)
Total		4	4	14	5	5	11	24	14	81	32	6	9	17	17	13	94	175
No. of firms		4	4	14	5	5	11	24	14	81	32	6	9	17	17	13	94	175 (100)

13. REGIONAL OPERATING HEADQUARTERS

(1) Situation of regional operational functions

Regarding the situation of regional operational functions that a firm in Thailand handles for their group companies for a specific area in the Asia-Pacific region etc., the percentage of the firms which reported “Has already” and “Under consideration” was both 13% and 74% of firms responded “No plan”. (Table 13-1)

(Table13-1) Situation of regional operational functions

Unit: No. of firms and (%)

Industry		Has already		Under consideration		No plan		No. of firms
Manufacturing	Food	1	(20)	0	(0)	4	(80)	5
	Textiles	3	(21)	1	(7)	10	(71)	14
	Chemicals	6	(18)	6	(18)	22	(65)	34
	Steel/Non-ferrous metal	2	(7)	1	(3)	26	(90)	29
	General machinery	0	(0)	1	(8)	12	(92)	13
	Electrical/Electronic machinery	7	(16)	2	(5)	34	(79)	43
	Transportation machinery	9	(17)	6	(11)	38	(72)	53
	Others	2	(6)	4	(13)	26	(81)	32
	Manufacturing sector total	30	(13)	21	(9)	172	(77)	223
Non-manufacturing	Trading	6	(11)	14	(26)	33	(62)	53
	Retailing	0	(0)	2	(17)	10	(83)	12
	Finance/Insurance/Securities	2	(11)	0	(0)	16	(89)	18
	Construction/Civil engineering	2	(9)	5	(23)	15	(68)	22
	Transportation/Communications	3	(12)	5	(20)	17	(68)	25
	Others	6	(22)	2	(7)	19	(70)	27
	Non-manufacturing sector total	19	(12)	28	(18)	110	(70)	157
Total		49	(13)	49	(13)	282	(74)	380

(2) Content of the regional operational function

Regarding the content of regional operational function that a firm in Thailand handles (check all that apply), the predominant response was “Sales/Marketing” (56%), followed by “Engineering support” (38%), “Finance/Accounting/Currency” (29%), and “Personnel/Labor management, Human resource development” (29%). By industry, other major responses by the manufacturing sector were “R&D” (35%), and “Planning of new business, reorganization and investment (Establishment of new sales office/production site)” (27%), and in the non-manufacturing sector “Information systems”. (Table13-2)

(Note) Response only by companies that selected “Has already” in Question 13-1.

(Table13-2) Content of the regional operational function (Check all that apply)

Unit: No. of firms and (%)

Unit: No. of firms and (%)

Ranking		Manufacturing									Non-manufacturing							Grand total
		Food	Textiles	Chemicals	Steel/Non-ferrous metal	General machinery	Electrical/Electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retailing	Finance/Insurance	Construction/Civil engineering	Transportation/Communications	Others	Non-manufacturing total	
1	Sales/Marketing	1 (100)	3 (100)	2 (33)	1 (50)	0 (0)	5 (167)	5 (56)	1 (50)	18 (69)	5 (56)	0 (0)	2 (100)	0 (0)	1 (33)	1 (17)	9 (41)	27 (56)
2	Engineering support	1 (100)	0 (0)	3 (50)	0 (0)	0 (0)	4 (133)	4 (44)	0 (0)	12 (46)	1 (11)	0 (0)	1 (50)	2 (100)	0 (0)	2 (33)	6 (27)	18 (38)
3	Finance/Accounting/Currency	0 (0)	1 (33)	1 (17)	1 (50)	0 (0)	2 (67)	2 (22)	0 (0)	7 (27)	2 (22)	0 (0)	1 (50)	0 (0)	1 (33)	3 (50)	7 (32)	14 (29)
3	Personnel/Labor management, Human resource development	0 (0)	1 (33)	0 (0)	0 (0)	0 (0)	2 (67)	2 (22)	0 (0)	5 (19)	3 (33)	0 (0)	2 (100)	1 (50)	1 (33)	2 (33)	9 (41)	14 (29)
5	Information system	0 (0)	0 (0)	0 (0)	1 (50)	0 (0)	2 (67)	3 (33)	0 (0)	6 (23)	1 (11)	0 (0)	2 (100)	1 (50)	0 (0)	2 (33)	6 (27)	12 (25)
6	Planning of new business, reorganization and investment (Establishment of new sales office/production site)	1 (100)	1 (33)	0 (0)	0 (0)	0 (0)	2 (67)	3 (33)	0 (0)	7 (27)	0 (0)	0 (0)	1 (50)	0 (0)	1 (33)	2 (33)	4 (18)	11 (23)
7	R&D	1 (100)	1 (33)	2 (33)	0 (0)	0 (0)	1 (33)	4 (44)	0 (0)	9 (35)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (17)	1 (5)	10 (21)
8	Production control	0 (0)	1 (33)	1 (17)	0 (0)	0 (0)	2 (67)	1 (11)	1 (50)	6 (23)	1 (11)	0 (0)	0 (0)	1 (50)	0 (0)	0 (0)	2 (9)	8 (17)
8	Procurement	0 (0)	1 (33)	0 (0)	0 (0)	0 (0)	1 (33)	5 (56)	0 (0)	7 (27)	1 (11)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (5)	8 (17)
10	Legal/Intellectual property rights	1 (100)	1 (33)	0 (0)	0 (0)	0 (0)	1 (33)	1 (11)	0 (0)	4 (15)	0 (0)	0 (0)	1 (50)	0 (0)	0 (0)	2 (33)	3 (14)	7 (15)
11	Logistics	0 (0)	0 (0)	0 (0)	1 (50)	0 (0)	2 (67)	1 (11)	0 (0)	4 (15)	0 (0)	0 (0)	0 (0)	0 (0)	1 (33)	1 (17)	2 (9)	6 (13)
12	Public relations	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (33)	0 (0)	0 (0)	1 (4)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (17)	1 (5)	2 (4)
—	Others	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (17)	1 (5)	1 (2)
Total		5	10	9	4	0	25	31	2	86	14	0	10	5	5	18	52	138
No. of firms		1	3	6	2	0	3	9	2	26	9	0	2	2	3	6	22	48 (100)

(3) Reason to locate the regional operational function

Regarding the reason to locate the regional operational function in Thailand (check all that apply), the predominant response was “Accessibility to the neighboring countries” (85%), followed by “Satisfactory logistics/communication infrastructure” (48%), “Satisfactory living environment for foreigners” (38%), and “Preferential taxation system for the regional operation headquarters” (17%). (Table 13-3)

(Note) Response only by companies that selected “Under consideration” in Question 13-1.

(Table13-3) Reason to locate the regional operational function (Check all that apply)

Unit: No. of firms and (%)																		
Ranking		Manufacturing								Non-manufacturing							Grand total	
		Food	Textiles	Chemicals	Steel/Non-ferrous metal	General machinery	Electrical/Electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retailing	Finance/Insurance	Construction/Civil engineering	Transportation/Communications	Others		Non-manufacturing total
1	Accessibility to the neighboring countries	0 (0)	0 (0)	5 (100)	1 (100)	1 (100)	2 (100)	5 (71)	5 (100)	19 (86)	14 (100)	2 (100)	0 (0)	4 (80)	3 (60)	2 (67)	25 (83)	44 (85)
2	Satisfactory logistics/communication infrastructure	0 (0)	0 (0)	5 (100)	1 (100)	0 (0)	2 (100)	3 (43)	2 (40)	13 (59)	8 (57)	0 (0)	1 (100)	0 (0)	2 (40)	1 (33)	12 (40)	25 (48)
3	Satisfactory living environment for foreigners	0 (0)	0 (0)	4 (80)	0 (0)	0 (0)	0 (0)	2 (29)	1 (20)	7 (32)	7 (50)	0 (0)	0 (0)	2 (40)	2 (40)	2 (67)	13 (43)	20 (38)
4	Preferential taxation system for the regional operation headquarters	0 (0)	0 (0)	1 (20)	0 (0)	0 (0)	0 (0)	1 (14)	1 (20)	3 (14)	3 (21)	0 (0)	0 (0)	0 (0)	2 (40)	1 (33)	6 (20)	9 (17)
5	Abundant good human resources necessary for regional operation headquarters	0 (0)	0 (0)	1 (20)	0 (0)	0 (0)	0 (0)	2 (29)	1 (20)	4 (18)	0 (0)	0 (0)	0 (0)	2 (40)	2 (40)	0 (0)	4 (13)	8 (15)
6	Flexible financial regulations, Superior capital procurement market	0 (0)	0 (0)	1 (20)	0 (0)	0 (0)	1 (50)	1 (14)	0 (0)	3 (14)	1 (7)	0 (0)	0 (0)	0 (0)	1 (20)	1 (33)	3 (10)	6 (12)
6	Accumulation of specialized service companies (legal, accounting and consulting etc.)	0 (0)	0 (0)	2 (40)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	2 (9)	2 (14)	0 (0)	0 (0)	0 (0)	1 (20)	1 (33)	4 (13)	6 (12)
8	Low corporation tax rate	0 (0)	0 (0)	1 (20)	0 (0)	0 (0)	1 (50)	0 (0)	0 (0)	2 (9)	1 (7)	0 (0)	0 (0)	0 (0)	0 (0)	1 (33)	2 (7)	4 (8)
8	Stability of the political situation	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	2 (14)	0 (0)	0 (0)	0 (0)	1 (20)	1 (33)	4 (13)	4 (8)
10	Simple procedure for VISA and WP for foreigners	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	2 (14)	0 (0)	0 (0)	0 (0)	1 (20)	0 (0)	3 (10)	3 (6)
10	Provision of legal system, Transparency/efficiency of administrative procedures	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (7)	0 (0)	0 (0)	0 (0)	1 (20)	1 (33)	3 (10)	3 (6)
-	Others	0 (0)	1 (100)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (20)	2 (9)	0 (0)	1 (50)	0 (0)	1 (20)	2 (40)	0 (0)	4 (13)	6 (12)
Total		0	1	20	2	1	6	14	11	55	41	3	1	9	18	11	83	138
No. of firms		0	1	5	1	1	2	7	5	22	14	2	1	5	5	3	30	52 (100)

(4) Obstacles for Regional Operating Headquarters (ROH) system

Regarding obstacles for ROH that would allow you to establish the ROH if removed (check all that apply), the predominant response was “The ROH system is difficult to understand.” (53%), followed by “It is difficult to meet the standard of the 50% rule for the ROH (Eligible income from overseas shall be 50% or more of the total income).” (29%) and “The main business of an ROH is support and an ROH cannot sell directly.” (27%). (Table 13-4)

(Note) Response only by companies that selected “Under consideration” in Question 13-1.

(Table 13-4) Obstacles for the Regional Operation Headquarters (ROH) system in Thailand (Check all that apply)

Unit: No. of firms and (%)

Ranking		Manufacturing									Non-manufacturing							Grand total
		Food	Textiles	Chemicals	Steel/Non-ferrous metal	General machinery	Electrical/Electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retailing	Finance/Insurance	Construction/Civil engineering	Transportation/Communications	Others	Non-manufacturing total	
1	The ROH system is difficult to understand.	0 (0)	0 (0)	4 (67)	0 (0)	0 (0)	2 (100)	2 (40)	3 (43)	11 (46)	7 (54)	2 (67)	0 (0)	3 (75)	3 (60)	1 (50)	16 (59)	27 (53)
2	It is difficult to meet the standard of the 50% rule for the ROH (Eligible income from overseas shall be 50% or more of the total income).	0 (0)	1 (100)	1 (17)	0 (0)	0 (0)	0 (0)	3 (60)	2 (29)	7 (29)	2 (15)	1 (33)	0 (0)	0 (0)	4 (80)	1 (50)	8 (30)	15 (29)
3	The main business of an ROH is support and an ROH cannot sell directly.	0 (0)	1 (100)	3 (50)	0 (0)	0 (0)	0 (0)	3 (60)	2 (29)	9 (38)	3 (23)	0 (0)	0 (0)	0 (0)	1 (20)	1 (50)	5 (19)	14 (27)
4	The scope of benefits on tax is not attractive.	0 (0)	1 (100)	2 (33)	0 (0)	1 (100)	0 (0)	1 (20)	0 (0)	5 (21)	3 (23)	1 (33)	0 (0)	0 (0)	2 (40)	0 (0)	6 (22)	11 (22)
5	VISA and WP do not become unlimited even if establishing a ROH.	0 (0)	0 (0)	0 (0)	1 (50)	1 (100)	0 (0)	0 (0)	3 (43)	5 (21)	2 (15)	0 (0)	0 (0)	0 (0)	2 (40)	0 (0)	4 (15)	9 (18)
6	Severe definition condition for related companies (should hold 25% or more of the stock etc.).	0 (0)	0 (0)	3 (50)	0 (0)	0 (0)	1 (50)	0 (0)	1 (14)	5 (21)	0 (0)	0 (0)	0 (0)	0 (0)	2 (40)	1 (50)	3 (11)	8 (16)
7	There are multiple supervisory authorities (ROH, IPC, TC) and the window is not integrated	0 (0)	1 (100)	1 (17)	0 (0)	0 (0)	0 (0)	0 (0)	2 (29)	4 (17)	1 (8)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (4)	5 (10)
8	Capital and liabilities ratio is limited to 1:7 to get a foreign business permit without BOI.	0 (0)	1 (100)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (4)	1 (8)	0 (0)	0 (0)	0 (0)	1 (20)	1 (50)	3 (11)	4 (8)
9	Severe actual demand rule of the foreign exchange control law.	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (8)	0 (0)	0 (0)	0 (0)	1 (20)	1 (50)	3 (11)	3 (6)
10	Treatment of non-resident deposits is indefinite.	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (20)	0 (0)	1 (4)	1 (2)
—	Others	0 (0)	1 (100)	2 (33)	1 (50)	0 (0)	1 (50)	1 (20)	1 (14)	7 (29)	2 (15)	1 (33)	0 (0)	2 (50)	0 (0)	0 (0)	5 (19)	12 (24)
Total		0	6	16	2	2	4	10	14	54	22	5	0	5	17	6	55	109
No. of firms		0	1	6	2	1	2	5	7	24	13	3	0	4	5	2	27	51 (100)

* (Note);

ROH stands for Regional Operating Headquarters

IPC stands for International Procurement Center

TC stands for Treasury Center

14. EXPECTATIONS FOR THE ASEAN ECONOMIC COMMUNITY (AEC)

Regarding the expectation for implementation of the AEC items, the predominant response was “Simplified customs clearance (Unified customs declaration form and introduction of a single window system for import and export)” (59%), followed by “Elimination of import tariffs in CLMV” (51 %), “Uniformity of interpretation and management concerning the rules of origin” (33%) and “Free movement of skilled labor” (30%). (Table14)

(Table14) Expectations for the Asean Economic Community (AEC) (Check all that apply)

Unit: No. of firms and (%)

Ranking		Manufacturing									Non-manufacturing							Grand total
		Food	Textiles	Chemicals	Steel/Non-ferrous metal	General machinery	Electrical/Electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retailing	Finance/Insurance	Construction/Civil engineering	Transportation/Communications	Others	Non-manufacturing total	
1	Simplified customs clearance (Unified customs declaration form and introduction of a single window system for import and export)	3 (60)	9 (64)	22 (71)	17 (59)	10 (77)	27 (63)	39 (74)	16 (50)	143 (65)	35 (69)	5 (45)	2 (13)	7 (32)	15 (60)	11 (42)	75 (50)	218 (59)
2	Elimination of import tariffs in CLMV	2 (40)	12 (86)	16 (52)	9 (31)	8 (62)	26 (60)	21 (40)	16 (50)	110 (50)	33 (65)	7 (64)	5 (33)	9 (41)	13 (52)	13 (50)	80 (53)	190 (51)
3	Uniformity of interpretation and management concerning the rules of origin	3 (60)	8 (57)	12 (39)	8 (28)	4 (31)	19 (44)	18 (34)	6 (19)	78 (35)	23 (45)	3 (27)	0 (0)	3 (14)	9 (36)	7 (27)	45 (30)	123 (33)
4	Free movement of skilled labor	4 (80)	6 (43)	5 (16)	6 (21)	1 (8)	21 (49)	21 (40)	7 (22)	71 (32)	7 (14)	3 (27)	4 (27)	10 (45)	9 (36)	7 (27)	40 (27)	111 (30)
5	Avoidance of double taxation	1 (20)	1 (7)	9 (29)	7 (24)	3 (23)	17 (40)	16 (30)	7 (22)	61 (28)	17 (33)	3 (27)	2 (13)	6 (27)	9 (36)	12 (46)	49 (33)	110 (30)
6	Reduction of non-tariff barriers (Protective license requirements and mandatory standards)	1 (20)	1 (7)	2 (6)	10 (34)	2 (15)	12 (28)	16 (30)	8 (25)	52 (24)	17 (33)	1 (9)	1 (7)	5 (23)	6 (24)	5 (19)	35 (23)	87 (24)
7	Infrastructure development in the CLMV	1 (20)	4 (29)	7 (23)	2 (7)	2 (15)	9 (21)	8 (15)	6 (19)	39 (18)	15 (29)	3 (27)	6 (40)	2 (9)	14 (56)	7 (27)	47 (31)	86 (23)
8	Relaxation of foreign ownership control in the service sector (ASEAN corporations at most 70%)	1 (20)	0 (0)	0 (0)	0 (0)	2 (15)	2 (5)	1 (2)	2 (6)	8 (4)	15 (29)	7 (64)	9 (60)	6 (27)	17 (68)	14 (54)	68 (45)	76 (21)
9	Further deregulation of capital transfers	0 (0)	4 (29)	4 (13)	1 (3)	1 (8)	3 (7)	7 (13)	2 (6)	22 (10)	7 (14)	4 (36)	9 (60)	2 (9)	6 (24)	9 (35)	37 (25)	59 (16)
10	Introduction of standardization, certification and labeling system standards for the ASEAN nations	0 (0)	2 (14)	5 (16)	3 (10)	2 (15)	8 (19)	8 (15)	5 (16)	33 (15)	8 (16)	1 (9)	0 (0)	2 (9)	5 (20)	3 (12)	19 (13)	52 (14)
11	Deregulation of investment by ASEAN corporations in manufacturing, mining, agriculture and forestry industries	1 (20)	2 (14)	8 (26)	3 (10)	4 (31)	8 (19)	7 (13)	4 (13)	37 (17)	1 (2)	0 (0)	0 (0)	3 (14)	2 (8)	3 (12)	9 (6)	46 (12)
12	Improvement of intellectual property rights-related system	1 (20)	1 (7)	1 (3)	2 (7)	1 (8)	3 (7)	4 (8)	3 (9)	16 (7)	3 (6)	0 (0)	0 (0)	0 (0)	1 (4)	5 (19)	9 (6)	25 (7)
13	Harmonization of policies within the region (e.g. fair competition, consumer protection)	0 (0)	1 (7)	0 (0)	0 (0)	0 (0)	0 (0)	4 (8)	2 (6)	7 (3)	2 (4)	3 (27)	0 (0)	1 (5)	3 (12)	1 (4)	10 (7)	17 (5)
—	Others	0 (0)	0 (0)	1 (3)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (0)	1 (2)	0 (0)	1 (7)	2 (9)	0 (0)	0 (0)	4 (3)	5 (1)
Total		18	51	92	68	40	155	170	84	678	184	40	39	58	109	97	527	1,205
No. of firms		5	14	31	29	13	43	53	32	220	51	11	15	22	25	26	150	370 (100)