

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

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# A Survey of Business Sentiment of Japanese Corporations in Thailand for the 1<sup>st</sup> half of 2013

JCC Economic Survey Team

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## Survey Period

Questionnaire request date      23 May, 2013

Questionnaire response deadline   24 June, 2013

## Questionnaire response

This questionnaire was distributed to  
1,453 JCC member firms.  
(Eleven governmental organizations were excluded).

No. of firms responding to this questionnaire  
384 corporations.

The response percentage  
26.4%.

No. of firms		
Industry		No.
Manufacturing	Food	8
	Textiles	13
	Chemicals	33
	Steel/Non-ferrous metal	33
	General machinery	15
	Electrical/Electronic machinery	45
	Transportation machinery	40
	Others	47
Manufacturing sector total		234
Non-manufacturing	Trading	48
	Retailing	14
	Finance/Insurance/Securities	16
	Construction/Civil engineering	17
	Transportation/Communications	27
	Other	28
	Non-manufacturing sector total	150
Total		384

## 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

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

(Table 1-1) Business Sentiment

Unit : %

	Past Surveys							Previous Survey			Survey this time		
	Result							Result	Forecast		Result	Forecast	
	8	9		10		11		12	12	13	12	13	
	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2
Improving	21	15	71	72	71	57	21	76	62	56	60	46	41
No change	15	17	14	15	18	18	17	11	18	31	21	25	38
Deteriorating	65	68	16	12	12	25	62	14	19	13	19	29	22
(Ref) DI	▲ 44	▲ 53	55	60	59	32	▲ 41	62	43	43	41	17	19

(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 second half of 2012 (July - December) - Actual

The percentage of firms reporting that business sentiment was "improving" decreased by 16 points to 60% from the previous term (76%), whereas those reporting "deteriorating" increased by 5 points to 19% from the previous term (14%). As a result, the Diffusion Index (DI), which is the balance between "improving" and "deteriorating", was calculated as +41, 21 points lower than the previous term (+62) (Table 1-1).

The DI turned to "deteriorating" in all industries in the manufacturing sector excluding textile and transportation machinery. As a result, the overall DI in the manufacturing sector decreased by 24 points to +32 from the previous term (+56). For the non-manufacturing sector, it also turned to "deteriorating" in all industries excluding finance, insurance, and securities, with the overall DI in the non-manufacturing sector decreasing by 17 points to +54 from the previous term (+71) (Table 1-2).

### (3) The first half of 2013 (January - June) - Forecast

The percentage of firms reporting that business performance was "improving" decreased 14 points to 46% from the previous term (60%), whereas the percentage of firms reporting "deteriorating" decreased 10 points to 29% from the previous term (19%). As a result, the overall DI is expected to be lower by 24 points than the previous term (+41) to +17 (Table 1-1).

The DI turned to “deteriorating” in all industries in the manufacturing sector excluding steel/ non-ferrous metals, and general machinery. As a result, the overall DI in the manufacturing sector decreased by 19 points to +13 from the previous term (+32). For the non-manufacturing sector, it is expected to turn to “deteriorating” in all industries, with the overall DI in the non-manufacturing sector decreasing by 30 points to +24 from the previous term (54%) (Table 1-2).

#### (4) Second half of 2013 (July - December) - Forecast

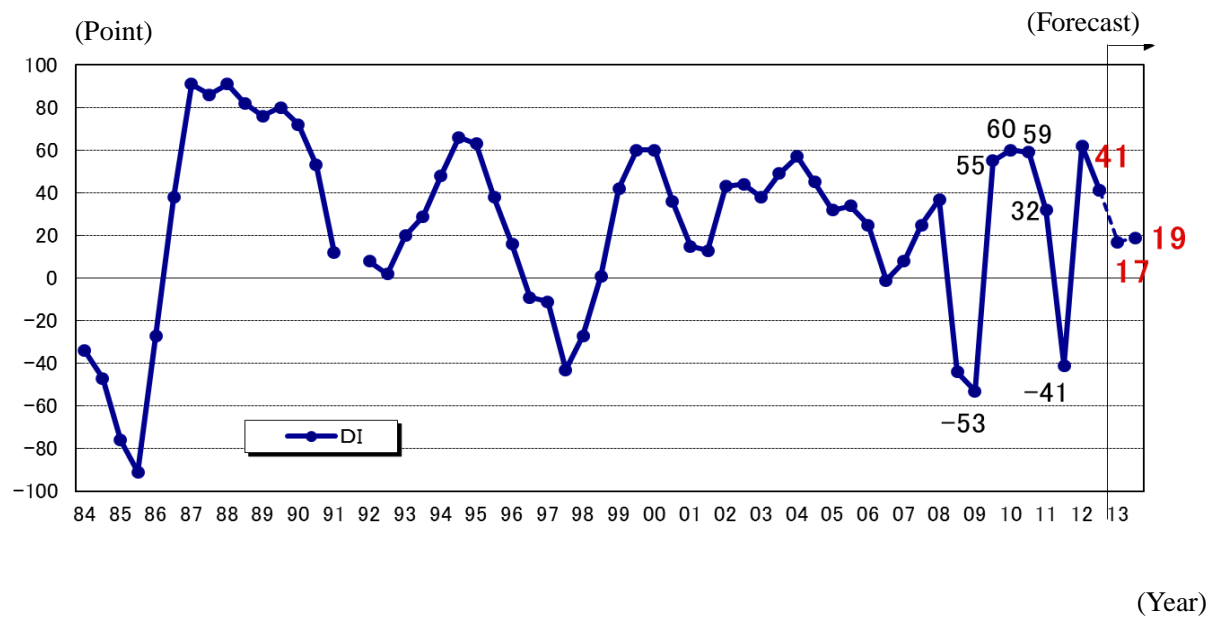
The percentage of firms reporting that business performance was “improving” decreased by 5 points to 41% from the previous term (46%), whereas the percentage of firms reporting “deteriorating” fell by 7 points to 22% from the previous term (29%). As a result, the overall DI is expected to increase by 2 points to +19 from the previous term (+17) (Table 1-1).

In the manufacturing sector, the DI is expected to decrease by 3 points to +10 compared to the previous term (+13) due to decreases in steel/ non-ferrous metals and transportation machinery. In the non-manufacturing sector, the overall DI is expected to increase by 8 points to +32 from the previous period (+24) due to increases in retail sales, transportation/ communications (Table 1-2).

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

Industry		Past survey								Survey this time		
		Result						Forecast		Result	Forecast	
		09H2	10H1	10H2	11H1	11H2	12H1	12H2	13H1	12H2	13H1	13H2
Manufacturing	Food	54	0	0	29	▲ 31	18	18	25	0	▲ 75	▲ 29
	Textiles	43	15	18	38	▲ 14	14	39	21	31	▲ 16	23
	Chemicals	84	75	55	▲ 12	▲ 69	37	23	41	34	0	▲ 3
	Steel/Non-ferrous metal	70	96	68	18	▲ 87	59	33	54	35	47	7
	General machinery	70	77	47	57	▲ 17	100	50	100	0	7	20
	Electrical/electronic machinery	74	65	38	27	▲ 77	59	17	27	13	0	30
	Transportation machinery	82	87	94	▲ 7	▲ 74	74	70	40	74	33	▲ 13
	Others	45	62	42	32	▲ 39	59	28	43	26	21	26
	Manufacturing sector total	69	67	52	16	▲ 59	56	36	39	32	13	10
Non-manufacturing	Trading	61	83	83	59	▲ 46	70	51	42	61	33	40
	Retailer	75	12	100	82	30	75	67	58	64	29	50
	Finance/Insurance/Securities	33	54	82	64	7	53	67	80	73	47	26
	Construction/Civil engineering	▲ 35	7	50	88	55	89	57	37	65	17	19
	Transportation/Communication	37	69	55	32	▲ 37	80	33	50	40	11	30
	Others	19	17	53	52	▲ 4	59	58	44	31	11	19
	Non-manufacturing sector total	34	48	70	59	▲ 10	71	52	48	54	24	32
Total		55	60	59	32	▲ 41	62	43	43	41	17	19

(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 actual sales in 2012 rose by 19 points to 73% from the previous year (54%). The percentage of firms reporting a “more than 20% increase” in their total sales rose by 21 points to 34% 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 decreased by 13 points to 60% from the previous period (73%), and the percentage of firms anticipating a “more than 20% increase” in their total sales also decreased by 19 points, from 34% in the previous period to 15% (Table 2-1 and Table 2-3).

(Table 2-1) Change in total sales

Year	Past Surveys							Previous survey		Survey this time	
	Result							Forecast		Result	
	05	06	07	08	09	10	11	12	13	12	13
Sales increase	73	65	61	56	33	82	54	74	76	73	60
Sales increase more than 20%	27	17	14	14	6	46	13	35	19	34	15

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

(Table 2-2) Total Sales Result 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 (86)	1 (14)	2 (29)	3 (43)	0 (0)	1 (14)	1 (14)	0 (0)	0 (0)	
	Textiles	8 (62)	0 (0)	4 (31)	4 (31)	2 (15)	3 (23)	2 (15)	0 (0)	1 (8)	
	Chemicals	23 (70)	9 (27)	10 (30)	4 (12)	4 (12)	6 (18)	4 (12)	1 (3)	1 (3)	
	Steel/Non-ferrous metal	15 (54)	6 (21)	5 (18)	4 (14)	6 (21)	7 (25)	4 (14)	2 (7)	1 (4)	
	General machinery	11 (73)	4 (27)	4 (27)	3 (20)	1 (7)	3 (20)	1 (7)	1 (7)	1 (7)	
	Electrical/electronic machinery	20 (47)	8 (19)	4 (9)	8 (19)	8 (19)	15 (35)	5 (12)	2 (5)	8 (19)	
	Transportation machinery	34 (89)	23 (61)	8 (21)	3 (8)	1 (3)	3 (8)	2 (5)	0 (0)	1 (3)	
	Others	31 (72)	14 (33)	13 (30)	4 (9)	3 (7)	9 (21)	6 (14)	0 (0)	3 (7)	
Manufacturing sector total		148 (67)	65 (30)	50 (23)	33 (15)	25 (11)	47 (21)	25 (11)	6 (3)	16 (7)	
Non-manufacturing	Trading	36 (78)	18 (39)	12 (26)	6 (13)	4 (9)	6 (13)	5 (11)	1 (2)	0 (0)	
	Retailer	12 (86)	4 (29)	6 (43)	2 (14)	2 (14)	0 (0)	0 (0)	0 (0)	0 (0)	
	Finance/Insurance/Securities	13 (93)	6 (43)	4 (29)	3 (21)	1 (7)	0 (0)	0 (0)	0 (0)	0 (0)	
	Construction/Civil engineering	16 (94)	12 (71)	2 (12)	2 (12)	1 (6)	0 (0)	0 (0)	0 (0)	0 (0)	
	Transportation/Communication	22 (81)	11 (41)	6 (22)	5 (19)	1 (4)	4 (15)	1 (4)	3 (11)	0 (0)	
	Others	20 (77)	8 (31)	9 (35)	3 (12)	4 (15)	2 (8)	0 (0)	1 (4)	1 (4)	
	Non-manufacturing sector total		119 (83)	59 (41)	39 (27)	21 (15)	13 (9)	12 (8)	6 (4)	5 (3)	1 (1)
Total		267 (73)	124 (34)	89 (24)	54 (15)	38 (10)	59 (16)	31 (9)	11 (3)	17 (5)	

(Table 2-3) Sales Forecast for 2013

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	1 (14)	0 (0)	1 (14)	0 (0)	3 (43)	3 (43)	1 (14)	1 (14)	1 (14)
	Textiles	8 (62)	1 (8)	4 (31)	3 (23)	2 (15)	3 (23)	2 (15)	1 (8)	0 (0)
	Chemicals	19 (58)	1 (3)	12 (36)	6 (18)	3 (9)	11 (33)	4 (12)	6 (18)	1 (3)
	Steel/Non-ferrous metal	21 (68)	7 (23)	9 (29)	5 (16)	6 (19)	4 (13)	3 (10)	1 (3)	0 (0)
	General machinery	9 (60)	1 (7)	4 (27)	4 (27)	1 (7)	5 (33)	5 (33)	0 (0)	0 (0)
	Electrical/electronic machinery	24 (55)	9 (20)	6 (14)	9 (20)	5 (11)	15 (34)	8 (18)	7 (16)	0 (0)
	Transportation machinery	24 (65)	4 (11)	10 (27)	10 (27)	3 (8)	10 (27)	8 (22)	2 (5)	0 (0)
	Others	25 (57)	6 (14)	10 (23)	9 (20)	7 (16)	12 (27)	6 (14)	3 (7)	3 (7)
Manufacturing sector total		131 (58)	29 (13)	56 (25)	46 (21)	30 (13)	63 (28)	37 (17)	21 (9)	5 (2)
Non-manufacturing	Trading	26 (58)	9 (20)	6 (13)	11 (24)	11 (24)	8 (18)	3 (7)	4 (9)	1 (2)
	Retailer	13 (93)	4 (29)	3 (21)	6 (43)	1 (7)	0 (0)	0 (0)	0 (0)	0 (0)
	Finance/Insurance/Securities	13 (93)	4 (29)	3 (21)	6 (43)	0 (0)	1 (7)	0 (0)	0 (0)	1 (7)
	Construction/Civil engineering	7 (41)	2 (12)	3 (18)	2 (12)	3 (18)	7 (41)	3 (18)	2 (12)	2 (12)
	Transportation/Communication	14 (54)	3 (12)	5 (19)	6 (23)	5 (19)	7 (27)	2 (8)	2 (8)	3 (12)
	Others	17 (65)	5 (19)	7 (27)	5 (19)	4 (15)	5 (19)	2 (8)	2 (8)	1 (4)
	Non-manufacturing sector total		90 (63)	27 (19)	27 (19)	36 (25)	24 (17)	28 (20)	10 (7)	10 (7)
Total		221 (60)	56 (15)	83 (23)	82 (22)	54 (15)	91 (25)	47 (13)	31 (8)	13 (4)

### 3. PRE-TAX PROFIT/LOSS

Firms reporting a “profit” in their 2012 pre-tax profit/loss accounts were 84%. Firms reporting an “increase” in their net profit (including the case that any loss will diminish or vanish) accounted for 62%, whereas those reporting a “decrease” in their net profit accounted for 22 % (Table 3-1).

The percentage of firms anticipating a “profit” in their 2013 pre-tax profit/loss was 84%. Firms anticipating an “increase” in their pre-tax profit were 36%, whereas those anticipating a “decrease” in their pre-tax profit were 37% (Table 3-2).

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

Unit : No. of firms (%)

Industry		Profit	Balance	Loss	Total	Profit increase	No change	Profit decrease
Manufacturing	Food	6 (75)	1 (13)	1 (13)	8	4 (50)	1 (13)	3 (38)
	Textiles	9 (69)	0 (0)	4 (31)	13	5 (38)	3 (23)	5 (38)
	Chemicals	28 (85)	0 (0)	5 (15)	33	18 (55)	4 (12)	11 (33)
	Steel/Non-ferrous metal	21 (70)	1 (3)	8 (27)	30	18 (60)	3 (10)	9 (30)
	General machinery	15 (100)	0 (0)	0 (0)	15	7 (47)	2 (13)	6 (40)
	Electrical/electronic machinery	29 (67)	4 (9)	10 (23)	43	19 (44)	11 (26)	13 (30)
	Transportation machinery	38 (97)	0 (0)	1 (3)	39	30 (77)	4 (10)	5 (13)
	Others	33 (77)	1 (2)	9 (21)	43	24 (56)	6 (14)	13 (30)
	Manufacturing sector total	179 (80)	7 (3)	38 (17)	224	125 (56)	34 (15)	65 (29)
Non-manufacturing	Trading	41 (91)	1 (2)	3 (7)	45	35 (78)	6 (13)	4 (9)
	Retailer	11 (79)	0 (0)	3 (21)	14	11 (79)	1 (7)	2 (14)
	Finance/Insurance/Securities	14 (100)	0 (0)	0 (0)	14	12 (86)	2 (14)	0 (0)
	Construction/Civil engineering	15 (88)	0 (0)	2 (12)	17	13 (76)	3 (18)	1 (6)
	Transportation/Communication	26 (96)	0 (0)	1 (4)	27	16 (59)	5 (19)	6 (22)
	Others	23 (88)	0 (0)	3 (12)	26	15 (58)	8 (31)	3 (12)
	Non-manufacturing sector total	130 (91)	1 (1)	12 (8)	143	102 (71)	25 (17)	16 (11)
Total		309 (84)	8 (2)	50 (14)	367	227 (62)	59 (16)	81 (22)

(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 2013 (from the previous year)

Unit : No. of firms (%)

Industry		Profit	Balance	Loss	Total	Profit increase	No change	Profit decrease
Manufacturing	Food	7 (88)	1 (13)	0 (0)	8	2 (25)	2 (25)	4 (50)
	Textiles	11 (85)	1 (8)	1 (8)	13	7 (54)	4 (31)	2 (15)
	Chemicals	29 (88)	2 (6)	2 (6)	33	12 (36)	7 (21)	14 (42)
	Steel/Non-ferrous metal	22 (71)	1 (3)	8 (26)	31	13 (42)	5 (16)	13 (42)
	General machinery	14 (93)	0 (0)	1 (7)	15	3 (20)	5 (33)	7 (47)
	Electrical/electronic machinery	31 (70)	8 (18)	5 (11)	44	15 (34)	11 (25)	18 (41)
	Transportation machinery	34 (89)	4 (11)	0 (0)	38	12 (32)	8 (21)	18 (47)
	Others	30 (67)	6 (13)	9 (20)	45	20 (44)	10 (22)	15 (33)
	Manufacturing sector total	178 (78)	23 (10)	26 (11)	227	84 (37)	52 (23)	91 (40)
Non-manufacturing	Trading	42 (93)	2 (4)	1 (2)	45	16 (36)	15 (33)	14 (31)
	Retailer	13 (93)	1 (7)	0 (0)	14	6 (43)	5 (36)	3 (21)
	Finance/Insurance/Securities	14 (100)	0 (0)	0 (0)	14	9 (64)	4 (29)	1 (7)
	Construction/Civil engineering	15 (88)	2 (12)	0 (0)	17	6 (35)	3 (18)	8 (47)
	Transportation/Communication	26 (96)	0 (0)	1 (4)	27	5 (19)	10 (37)	12 (44)
	Others	22 (85)	3 (12)	1 (4)	26	9 (35)	8 (31)	9 (35)
	Non-manufacturing sector total	132 (92)	8 (6)	3 (2)	143	51 (36)	45 (31)	47 (33)
Total		310 (84)	31 (8)	29 (8)	370	135 (36)	97 (26)	138 (37)

(Note) Same as 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 6.9% from 2012 (The total number of responding firms was 223). The percentage of firms reporting an “increase” was 41% of the total, and the percentage of firms reporting a “decrease” was 33% (Table 4-1).

The predominant reason for capital investment was “replacement” and “new” in both 2012 and 2013, while firms responding with “flood recovery” were 5%, a decrease by 18% from 2012 (Table 4-2 and Table 4-3).

(Table 4-1) Capital investment (manufacturing sector)

Unit: Million Baht, and (%)

Industry	2012	2013		No. of firms				
	Amount	Amount	Increase %	Increase	No change	Decrease	Undecided	Total
Food	476	583	22.3	3 (43)	2 (29)	2 (29)	0 (0)	7
Textiles	3,956	2,887	▲ 27.0	6 (46)	5 (38)	2 (15)	0 (0)	13
Chemicals	5,148	4,304	▲ 16.4	14 (47)	9 (30)	7 (23)	0 (0)	30
Steel/Non-ferrous metal	13,009	12,055	▲ 7.3	14 (45)	6 (19)	10 (32)	1 (3)	31
General machinery	2,332	1,494	▲ 36.0	3 (21)	4 (29)	7 (50)	0 (0)	14
Electrical/Electronic machinery	19,486	9,449	▲ 51.5	11 (25)	9 (20)	23 (52)	1 (2)	44
Transportation machinery	40,642	49,841	22.6	21 (54)	10 (26)	8 (21)	0 (0)	39
Others	10,904	8,761	▲ 19.7	20 (44)	8 (18)	14 (31)	3 (7)	45
Manufacturing sector total	95,954	89,373	▲ 6.9	92 (41)	53 (24)	73 (33)	5 (2)	223

(Note) The figures in the table above show just the totals of the data from corporations responding the questionnaire. 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 2012 (check all that apply)

Unit: No. of firms and (%)

Industry	New	Expansion	Replacement	Streamlining	Flood recovery	Others	Total	Response
Food	2 (25)	0 (0)	7 (88)	3 (38)	3 (38)	1 (13)	16	8
Textiles	5 (38)	4 (31)	10 (77)	4 (31)	5 (38)	1 (8)	29	13
Chemicals	10 (31)	6 (19)	16 (50)	5 (16)	2 (6)	2 (6)	41	32
Steel/Non-ferrous metal	13 (43)	8 (27)	17 (57)	5 (17)	1 (3)	0 (0)	44	30
General machinery	5 (38)	4 (31)	5 (38)	5 (38)	1 (8)	0 (0)	20	13
Electrical/Electronic machinery	15 (34)	11 (25)	18 (41)	12 (27)	16 (36)	1 (2)	73	44
Transportation machinery	22 (58)	18 (47)	16 (42)	17 (45)	3 (8)	1 (3)	77	38
Others	14 (33)	10 (23)	13 (30)	6 (14)	8 (19)	1 (2)	52	43
Manufacturing sector total	86 (39)	61 (28)	102 (46)	57 (26)	39 (18)	7 (3)	352	221

(Table 4-3) Details of 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 (38)	1 (13)	6 (75)	3 (38)	1 (13)	1 (13)	15	8
Textiles	8 (62)	7 (54)	8 (62)	2 (15)	0 (0)	0 (0)	25	13
Chemicals	8 (25)	8 (25)	23 (72)	10 (31)	1 (3)	1 (3)	51	32
Steel/Non-ferrous metal	12 (41)	13 (45)	13 (45)	6 (21)	1 (3)	0 (0)	45	29
General machinery	3 (23)	4 (31)	9 (69)	5 (38)	1 (8)	0 (0)	22	13
Electrical/Electronic machinery	18 (41)	12 (27)	23 (52)	19 (43)	5 (11)	0 (0)	77	44
Transportation machinery	22 (56)	20 (51)	18 (46)	17 (44)	0 (0)	2 (5)	79	39
Others	16 (37)	17 (40)	13 (30)	11 (26)	1 (2)	0 (0)	58	43
Manufacturing sector total	90 (41)	82 (37)	113 (51)	73 (33)	10 (5)	4 (2)	372	221



## 5. EXPORT TREND

The percentage of firms reporting an “increase” in their exports accounted for 33% in the first half of 2013 and 41% in the second half of 2013 and exceeded the “decrease” in both terms. The percentage of firms reporting an “increase” in their exports accounted for 42% in the full year of 2013 and exceeded the “decrease” (21%) by 21 points (Table 5-1, Table 5-2, Table 5-3).

(Table 5-1) Exports in 2013 (first half)

Table 1-7 Exports in 2010 (thousand)

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	1 (14)	0 (0)	0 (0)	1 (14)	4 (57)	2 (29)	2 (29)	0 (0)	0 (0)	7
Textiles	5 (38)	1 (8)	2 (15)	2 (15)	3 (23)	5 (38)	1 (8)	2 (15)	2 (15)	13
Chemicals	13 (42)	2 (6)	0 (0)	11 (35)	12 (39)	6 (19)	3 (10)	2 (6)	1 (3)	31
Steel/Non-ferrous metal	8 (33)	2 (8)	1 (4)	5 (21)	12 (50)	4 (17)	1 (4)	1 (4)	2 (8)	24
General machinery	1 (8)	0 (0)	0 (0)	1 (8)	9 (69)	3 (23)	1 (8)	1 (8)	1 (8)	13
Electrical/Electronic machinery	17 (41)	8 (20)	3 (7)	6 (15)	13 (32)	11 (27)	2 (5)	8 (20)	1 (2)	41
Transportation machinery	15 (45)	4 (12)	3 (9)	8 (24)	13 (39)	5 (15)	1 (3)	2 (6)	2 (6)	33
Others	13 (35)	4 (11)	1 (3)	8 (22)	12 (32)	12 (32)	3 (8)	3 (8)	6 (16)	37
Manufacturing sector total	73 (37)	21 (11)	10 (5)	42 (21)	78 (39)	48 (24)	14 (7)	19 (10)	15 (8)	199
Trading	8 (19)	2 (5)	0 (0)	6 (14)	26 (62)	8 (19)	2 (5)	3 (7)	3 (7)	42
Retailer	1 (25)	1 (25)	0 (0)	0 (0)	3 (75)	0 (0)	0 (0)	0 (0)	0 (0)	4
Construction	0 (0)	0 (0)	0 (0)	0 (0)	2 (100)	0 (0)	0 (0)	0 (0)	0 (0)	2
Others	1 (33)	1 (33)	0 (0)	0 (0)	1 (33)	1 (33)	1 (33)	0 (0)	0 (0)	3
Non-manufacturing sector total	10 (20)	4 (8)	0 (0)	6 (12)	32 (63)	9 (18)	3 (6)	3 (6)	3 (6)	51
Total	83 (33)	25 (10)	10 (4)	48 (19)	110 (44)	57 (23)	17 (7)	22 (9)	18 (7)	250

(Table 5-2) Exports in 2013 (second half)

Table 4-17 Imports in 2000 (US\$ million)

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 (29)	0 (0)	0 (0)	2 (29)	3 (43)	2 (29)	1 (14)	1 (14)	0 (0)	7
Textiles	6 (46)	1 (8)	2 (15)	3 (23)	3 (23)	4 (31)	2 (15)	2 (15)	0 (0)	13
Chemicals	15 (48)	3 (10)	3 (10)	9 (29)	11 (35)	5 (16)	2 (6)	2 (6)	1 (3)	31
Steel/Non-ferrous metal	9 (36)	2 (8)	1 (4)	6 (24)	14 (56)	2 (8)	1 (4)	1 (4)	0 (0)	25
General machinery	2 (15)	0 (0)	0 (0)	2 (15)	8 (62)	3 (23)	1 (8)	2 (15)	0 (0)	13
Electrical/Electronic machinery	20 (49)	8 (20)	4 (10)	8 (20)	13 (32)	8 (20)	4 (10)	3 (7)	1 (2)	41
Transportation machinery	16 (47)	1 (3)	6 (18)	9 (26)	11 (32)	7 (21)	3 (9)	1 (3)	3 (9)	34
Others	16 (43)	4 (11)	3 (8)	9 (24)	11 (30)	10 (27)	5 (14)	2 (5)	3 (8)	37
Manufacturing sector total	86 (43)	19 (9)	19 (9)	48 (24)	74 (37)	41 (20)	19 (9)	14 (7)	8 (4)	201
Trading	14 (33)	1 (2)	3 (7)	10 (24)	24 (57)	4 (10)	2 (5)	1 (2)	1 (2)	42
Retailer	1 (25)	1 (25)	0 (0)	0 (0)	3 (75)	0 (0)	0 (0)	0 (0)	0 (0)	4
Construction	0 (0)	0 (0)	0 (0)	0 (0)	2 (100)	0 (0)	0 (0)	0 (0)	0 (0)	2
Others	2 (67)	1 (33)	0 (0)	1 (33)	1 (33)	0 (0)	0 (0)	0 (0)	0 (0)	3
Non-manufacturing sector total	17 (33)	3 (6)	3 (6)	11 (22)	30 (59)	4 (8)	2 (4)	1 (2)	1 (2)	51
Total	103 (41)	22 (9)	22 (9)	59 (23)	104 (41)	45 (18)	21 (8)	15 (6)	9 (4)	252

(Table 5-30 Exports in 2013 (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	2 (29)	0 (0)	0 (0)	2 (29)	3 (43)	2 (29)	1 (14)	1 (14)	0 (0)	7
Textiles	5 (38)	1 (8)	1 (8)	3 (23)	3 (23)	5 (38)	3 (23)	2 (15)	0 (0)	13
Chemicals	16 (52)	3 (10)	2 (6)	11 (35)	10 (32)	5 (16)	2 (6)	3 (10)	0 (0)	31
Steel/Non-ferrous metal	8 (32)	2 (8)	1 (4)	5 (20)	14 (56)	3 (12)	1 (4)	1 (4)	1 (4)	25
General machinery	2 (15)	0 (0)	0 (0)	2 (15)	8 (62)	3 (23)	1 (8)	2 (15)	0 (0)	13
Electrical/Electronic machinery	25 (61)	7 (17)	5 (12)	13 (32)	8 (20)	8 (20)	5 (12)	3 (7)	0 (0)	41
Transportation machinery	17 (50)	1 (3)	4 (12)	12 (35)	8 (24)	9 (26)	4 (12)	4 (12)	1 (3)	34
Others	15 (42)	3 (8)	3 (8)	9 (25)	11 (31)	10 (28)	4 (11)	4 (11)	2 (6)	36
Manufacturing sector total	90 (45)	17 (9)	16 (8)	57 (29)	65 (33)	45 (23)	21 (11)	20 (10)	4 (2)	200
Trading	14 (34)	2 (5)	2 (5)	10 (24)	20 (49)	7 (17)	3 (7)	2 (5)	2 (5)	41
Retailer	1 (25)	1 (25)	0 (0)	0 (0)	3 (75)	0 (0)	0 (0)	0 (0)	0 (0)	4
Construction	0 (0)	0 (0)	0 (0)	0 (0)	2 (100)	0 (0)	0 (0)	0 (0)	0 (0)	2
Others	1 (33)	1 (33)	0 (0)	0 (0)	1 (33)	1 (33)	1 (33)	0 (0)	0 (0)	3
Non-manufacturing sector total	16 (32)	4 (8)	2 (4)	10 (20)	26 (52)	8 (16)	4 (8)	2 (4)	2 (4)	50
Total	106 (42)	21 (8)	18 (7)	67 (27)	91 (36)	53 (21)	25 (10)	22 (9)	6 (2)	250



## 7. Business base for Thailand-Plus-One policy

Regarding Business base for Thai-plus-One policy, the percentage of firms which responded “Already founded” was 34% and “Considering” was 24%. Percentage of firms responded “Not considering” was 42%.

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

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

(Table 7-1) Business base for Thailand-Plus-One policy

Unit : No. of firms and (%)

Industry		Already founded		Considering		Not considering		No. of firms
Manufacturing	Food	0	(0)	4	(50)	4	(50)	8
	Textiles	4	(31)	3	(23)	6	(46)	13
	Chemicals	11	(34)	9	(28)	12	(38)	32
	Steel/Non-ferrous metal	8	(28)	6	(21)	15	(52)	29
	General machinery	7	(47)	3	(20)	5	(33)	15
	Electrical/electronic machinery	12	(29)	6	(14)	24	(57)	42
	Transportation machinery	23	(66)	7	(20)	5	(14)	35
	Others	12	(29)	7	(17)	23	(55)	42
	Manufacturing sector total	77	(36)	45	(21)	94	(44)	216
Non-manufacturing	Trading	15	(34)	15	(34)	14	(32)	44
	Retailer	1	(13)	1	(13)	6	(75)	8
	Finance/Insurance/Securities	0	(0)	0	(0)	1	(100)	1
	Construction/Civil engineering	0	(0)	2	(100)	0	(0)	2
	Transportation/Communications	0	(0)	3	(75)	1	(25)	4
	Others	2	(33)	2	(33)	2	(33)	6
	Non-manufacturing sector total	18	(28)	23	(35)	24	(37)	65
Total		95	(34)	68	(24)	118	(42)	281

(Table 7-2) Countries in which bases already exist or are expected (check all that apply)

Unit: No. of firms and (%)

Industry		Indonesia	Vietnam	Myanmar	Philippines	Cambodia	Bangladesh	Laos	India	Pakistan	Sri Lanka	China	Others	Total	No. of firms
Manufacturing	Food	2 (50)	2 (50)	1 (25)	0 (0)	1 (25)	0 (0)	1 (25)	0 (0)	0 (0)	0 (0)	0 (0)	1 (25)	8	4
	Textiles	3 (43)	3 (43)	2 (29)	0 (0)	1 (14)	3 (43)	1 (14)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	13	7
	Chemicals	15 (79)	8 (42)	3 (16)	1 (5)	1 (5)	0 (0)	1 (5)	1 (5)	0 (0)	0 (0)	0 (0)	1 (5)	31	19
	Steel/Non-ferrous metal	11 (79)	4 (29)	3 (21)	1 (7)	0 (0)	0 (0)	0 (0)	1 (7)	0 (0)	0 (0)	0 (0)	0 (0)	20	14
	General machinery	5 (56)	1 (11)	3 (33)	1 (11)	0 (0)	1 (11)	0 (0)	1 (11)	1 (11)	1 (11)	1 (11)	0 (0)	15	9
	Electrical/ electronic machinery	6 (35)	6 (35)	6 (35)	4 (24)	1 (6)	1 (6)	0 (0)	0 (0)	1 (6)	0 (0)	0 (0)	2 (12)	27	17
	Transportation machinery	21 (72)	11 (38)	5 (17)	4 (14)	1 (3)	1 (3)	1 (3)	2 (7)	1 (3)	1 (3)	1 (3)	0 (0)	49	29
	Others	7 (39)	7 (39)	4 (22)	2 (11)	4 (22)	1 (6)	3 (17)	1 (6)	1 (6)	1 (6)	1 (6)	1 (6)	33	18
	Manufacturing sector total	70 (60)	42 (36)	27 (23)	13 (11)	9 (8)	7 (6)	7 (6)	6 (5)	4 (3)	3 (3)	3 (3)	5 (4)	196	117
Non-manufacturing	Trading	17 (55)	16 (52)	14 (45)	5 (16)	3 (10)	4 (13)	1 (3)	0 (0)	1 (3)	0 (0)	0 (0)	1 (3)	62	31
	Retailer	1 (50)	2 (100)	1 (50)	1 (50)	1 (50)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	6	2
	Finance/Insurance/ Securities	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
	Construction/Civil engineering	1 (50)	0 (0)	1 (50)	0 (0)	1 (50)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	3	2
	Transportation/ Communications	2 (67)	1 (33)	3 (100)	0 (0)	2 (67)	1 (33)	2 (67)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	11	3
	Others	2 (67)	0 (0)	2 (67)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	4	3
	Non-manufacturing sector total	23 (56)	19 (46)	21 (51)	6 (15)	7 (17)	5 (12)	3 (7)	0 (0)	1 (2)	0 (0)	0 (0)	1 (2)	86	41
Total		93 (59)	61 (39)	48 (30)	19 (12)	16 (10)	12 (8)	10 (6)	6 (4)	5 (3)	3 (2)	3 (2)	6 (4)	282	158
Ranking		1	2	3	4	5	6	7	8	9	10	11	12		

## 8. 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 30.0 but less than 30.5 (53.6%) followed by “Not less than 30.5 but less than 31.0” (12.6%) (Table 8-1).

(Table 8-1) 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	Retailer	Others	Non-manufacturing sector total		
Not less than 29.0	but less than 29.5	0	0	2	3	3	0	0	0	8	1	1	0	2	10	(4.8)
Not less than 29.5	but less than 30.0	0	0	1	2	0	3	3	3	12	2	0	0	2	14	(6.8)
Not less than 30.0	but less than 30.5	4	6	18	10	4	15	14	15	86	22	0	3	25	111	(53.6)
Not less than 30.5	but less than 31.0	1	2	3	1	0	9	5	3	24	2	0	0	2	26	(12.6)
Not less than 31.0	but less than 31.5	1	1	1	3	1	4	3	5	19	5	0	1	6	25	(12.1)
Not less than 31.5	but less than 32.0	0	0	2	1	0	2	0	0	5	1	0	0	1	6	(2.9)
Not less than 32.0	but less than 32.5	0	0	0	0	0	1	0	1	2	1	0	0	1	3	(1.4)
Not less than 32.5	but less than 33.0	0	0	0	0	1	1	0	0	2	0	0	0	0	2	(1.0)
Not less than 33.0	but less than 33.5	0	0	0	0	0	0	0	1	1	0	1	0	1	2	(1.0)
Not less than 33.5	but less than 34.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(0.0)
Not less than 34.0	but less than 34.5	0	0	0	0	0	0	0	0	0	1	0	1	2	2	(1.0)
Not less than 34.5	but less than 35.0	0	0	0	1	0	0	0	0	1	0	0	0	0	1	(0.5)
Not less than 35.0	but less than 35.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(0.0)
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	1	0	0	0	0	0	0	1	0	0	0	0	1	(0.5)
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		7	11	27	21	9	36	25	28	164	36	2	5	43	207	
Average		30.07	30.63	30.02	29.90	30.17	30.43	30.21	30.42	30.24	30.34	31.00	31.00	30.45	30.28	
Median		30.00	30.00	30.00	30.00	30.00	30.40	30.00	30.00	30.00	30.00	31.00	30.00	30.00	30.00	
Mode		30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	#N/A	30.00	30.00	30.00	

(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)

Unit : Thai Bah/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	Retailer	Others	Non-manufacturing sector total		
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	

## (2) Japanese Yen/Thai Baht

Regarding the exchange rate used in business plans (Japanese Yen/ Thai Baht), the predominant response was “Not less than 3.0 but less than 3.1” (28.6%), followed by “Not less than 2.8 but less than 2.9” and “Not less than 3.2 but less than 3.3” (11.1%) (Table 8-2).

(Table 8-2) Exchange rates used in business plan (Japanese Yen/ Thai Baht)

Unit: Japanese Yen/ Thai Baht Yen, 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	Retailer	Others	Non-manufacturing 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	0	0	0	0	0	0	0	0	0	(0.0)
Not less than 2.4	but less than 2.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(0.0)
Not less than 2.5	but less than 2.6	0	0	1	0	0	2	2	3	8	4	0	0	4	12	(5.1)
Not less than 2.6	but less than 2.7	2	2	1	1	2	1	0	2	11	3	0	0	3	14	(6.0)
Not less than 2.7	but less than 2.8	0	1	3	1	0	4	3	3	15	1	0	0	1	16	(6.8)
Not less than 2.8	but less than 2.9	0	0	0	3	3	4	4	4	18	4	2	2	8	26	(11.1)
Not less than 2.9	but less than 3.0	0	1	3	0	0	3	4	0	11	3	0	0	3	14	(6.0)
Not less than 3.0	but less than 3.1	0	2	11	4	6	7	8	9	47	16	2	2	20	67	(28.6)
Not less than 3.1	but less than 3.2	0	1	0	3	1	3	4	6	18	2	0	1	3	21	(9.0)
Not less than 3.2	but less than 3.3	1	1	3	4	2	5	4	2	22	3	0	1	4	26	(11.1)
Not less than 3.3	but less than 3.4	1	0	4	2	0	4	2	3	16	6	0	0	6	22	(9.4)
Not less than 3.4	but less than 3.5	2	2	1	4	1	0	1	2	13	2	0	1	3	16	(6.8)
Not less than 3.5	but less than 3.6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(0.0)
No. of firms		6	10	27	22	15	33	32	34	179	44	4	7	55	234	
Average		3.09	3.00	3.01	3.09	2.97	2.97	2.98	2.91	2.99	2.97	2.90	3.04	2.98	2.98	
Median		3.25	3.00	3.00	3.10	3.00	3.00	3.00	3.00	3.00	3.00	2.90	3.00	3.00	3.00	
Mode		3.40	3.00	3.00	3.20	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.80	3.00	3.00	

(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)

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	Retailer	Others	Non-manufacturing sector total		
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	

## 9. PROCUREMENT SOURCE OF PARTS/ MATERIALS

The ratio of procurement sources in 2012 (simple average of respondents) was 56.4% for ASEAN, including 49.1% for Thailand (Table 9-1).

Regarding the ratio of planned procurement sources in 2013, the percentage for “Thailand” is expected to decline slightly from 2012. The percentage for “ASEAN(other than Thailand) and “Others” is expected to rise slightly (Table 9-2).

(Table 9-1) Suppliers of parts and materials in 2012

Unit : %

Industry		ASEAN			Japan	China	Others	Total	No. of firms
			Thailand	ASEAN (other than Thailand)					
Manufacturing	Food	84.1	82.0	2.1	7.7	4.3	3.9	100.0	7
	Textiles	73.2	67.0	6.2	14.8	7.5	4.5	100.0	13
	Chemicals	58.0	46.6	11.4	31.3	3.1	7.6	100.0	31
	Steel/Non-ferrous metal	39.2	31.8	7.4	44.7	6.6	9.5	100.0	29
	General machinery	45.4	37.8	7.6	50.4	3.2	1.1	100.0	14
	Electrical/electronic machinery	50.1	39.0	11.1	37.0	9.3	3.6	100.0	40
	Transportation machinery	58.9	53.2	5.7	37.5	2.8	0.8	100.0	34
	Others	56.4	48.3	8.2	27.0	4.3	12.3	100.0	42
Manufacturing average		58.2	50.7	7.5	31.3	5.1	5.4	100.0	210
Non-manufacturing	Trading	59.9	45.3	14.6	30.2	5.2	4.7	100.0	42
	Retailer	53.8	52.3	1.5	44.4	0.6	1.3	100.0	8
	Construction	70.0	62.5	7.5	12.5	0.0	17.5	100.0	2
	Others	35.0	30.0	5.0	60.0	0.0	5.0	100.0	1
	Non-manufacturing average	54.7	47.5	7.1	36.8	1.5	7.1	100.0	53
Total		56.4	49.1	7.3	34.0	3.3	6.3	100.0	263

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

(Table 9-2) Planned suppliers of parts and materials in 2013

Unit : %

Industry		ASEAN			Japan	China	Others	Total	No. of firms
			Thailand	ASEAN (other than Thailand)					
Manufacturing	Food	84.1	82.0	2.1	7.7	4.3	3.9	100.0	7
	Textiles	74.5	67.7	6.8	12.5	7.6	5.3	100.0	13
	Chemicals	58.1	47.8	10.4	31.4	3.5	7.0	100.0	31
	Steel/Non-ferrous metal	39.8	32.8	7.0	42.5	6.4	11.4	100.0	30
	General machinery	47.1	39.5	7.6	47.1	3.3	2.5	100.0	14
	Electrical/electronic machinery	50.7	40.3	10.4	36.2	9.4	3.8	100.0	39
	Transportation machinery	61.5	55.7	5.8	34.6	3.1	0.8	100.0	34
	Others	59.7	51.0	8.6	26.5	2.3	11.5	100.0	39
Manufacturing average		59.4	52.1	7.3	29.8	5.0	5.8	100.0	207
Non-manufacturing	Trading	59.4	43.6	15.8	28.8	7.0	4.9	100.0	41
	Retailer	47.1	45.0	2.1	50.7	0.7	1.4	100.0	7
	Construction	70.0	62.5	7.5	12.5	0.0	17.5	100.0	2
	Others	35.0	30.0	5.0	60.0	0.0	5.0	100.0	1
	Non-manufacturing average	52.9	45.3	7.6	38.0	1.9	7.2	100.0	51
Total		56.2	48.7	7.5	33.9	3.4	6.5	100.0	258

(Note) Same as Table 9-1.

## 10. CHALLENGES FOR CORPORATE MANAGEMENT

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

By industry, the predominant response in the manufacturing sector was “Increase of total labor cost” (65%) and in non-manufacturing sector was “Intensified competition with competitors” (64%) (Table-10).

(Table 10) Challenges for corporate management (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	Retailer	Finance/ Insurance/ Securities	Construction/ Civil engineering	Transportation/ Communications	Others	Non-manufacturing sector total	
1	1	Intensified competition with competitors	3 (38)	7 (54)	25 (76)	18 (60)	7 (47)	30 (67)	27 (68)	22 (47)	139 (60)	31 (65)	12 (86)	10 (71)	13 (76)	12 (44)	16 (59)	94 (64)	233 (62)
2	2	Increase of total labor cost	4 (50)	7 (54)	17 (52)	16 (53)	9 (60)	30 (67)	39 (98)	27 (57)	149 (65)	19 (40)	4 (29)	2 (14)	7 (41)	18 (67)	14 (52)	64 (44)	213 (56)
3	3	Lack of human resources at manager-level	2 (25)	10 (77)	19 (58)	15 (50)	10 (67)	22 (49)	25 (63)	23 (49)	126 (55)	28 (58)	6 (43)	5 (36)	11 (65)	17 (63)	11 (41)	78 (53)	204 (54)
4	4	Decreased selling price (price war)	3 (38)	5 (38)	20 (61)	19 (63)	8 (53)	33 (73)	28 (70)	18 (38)	134 (58)	15 (31)	2 (14)	6 (43)	4 (24)	13 (48)	7 (26)	47 (32)	181 (48)
7	5	Job hopping of employee	1 (13)	3 (23)	7 (21)	9 (30)	3 (20)	12 (27)	16 (40)	11 (23)	62 (27)	17 (35)	7 (50)	8 (57)	6 (35)	13 (48)	9 (33)	60 (41)	122 (32)
8	6	Foreign exchange fluctuation	5 (63)	7 (54)	9 (27)	9 (30)	7 (47)	24 (53)	11 (28)	15 (32)	87 (38)	20 (42)	3 (21)	0 (0)	1 (6)	3 (11)	2 (7)	29 (20)	116 (31)
5	7	Lack of human resources for workers/ staff-levels	3 (38)	9 (69)	6 (18)	6 (20)	4 (27)	11 (24)	8 (20)	13 (28)	60 (26)	10 (21)	5 (36)	1 (7)	12 (71)	14 (52)	6 (22)	48 (33)	108 (29)
6	8	Hike in material prices	4 (50)	3 (23)	12 (36)	7 (23)	5 (33)	12 (27)	9 (23)	12 (26)	64 (28)	7 (15)	3 (21)	0 (0)	4 (24)	5 (19)	3 (11)	22 (15)	86 (23)
9	9	Quality of management	0 (0)	6 (46)	5 (15)	10 (33)	4 (27)	4 (9)	8 (20)	1 (2)	38 (16)	6 (13)	1 (7)	2 (14)	5 (29)	6 (22)	3 (11)	23 (16)	61 (16)
10	10	Changes in products/ users' needs	0 (0)	1 (8)	3 (9)	3 (10)	3 (20)	8 (18)	3 (8)	10 (21)	31 (13)	5 (10)	5 (36)	1 (7)	0 (0)	4 (15)	1 (4)	16 (11)	47 (12)
12	11	Excessive employment	0 (0)	1 (8)	1 (3)	3 (10)	0 (0)	2 (4)	3 (8)	4 (9)	14 (6)	0 (0)	1 (7)	0 (0)	0 (0)	1 (4)	0 (0)	2 (1)	16 (4)
11	12	Difficulty in collecting money from customers	1 (13)	0 (0)	2 (6)	0 (0)	0 (0)	0 (0)	0 (0)	2 (4)	5 (2)	4 (8)	1 (7)	0 (0)	2 (12)	0 (0)	2 (7)	9 (6)	14 (4)
13	13	Difficulty in obtaining financial support	0 (0)	0 (0)	1 (3)	1 (3)	0 (0)	4 (9)	1 (3)	1 (2)	8 (3)	1 (2)	0 (0)	0 (0)	0 (0)	1 (4)	2 (7)	4 (3)	12 (3)
14	14	Excessive capital investment	0 (0)	1 (8)	0 (0)	0 (0)	0 (0)	0 (0)	4 (10)	0 (0)	5 (2)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	5 (1)
—	15	Delay in flood recovery	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	2 (4)	0 (0)	1 (2)	3 (1)	2 (4)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	2 (1)	5 (1)
15	16	Infringement of intellectual property rights	0 (0)	1 (8)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (2)	2 (1)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	2 (1)
-	-	Others	1 (13)	0 (0)	1 (3)	0 (0)	1 (7)	2 (4)	1 (3)	1 (2)	7 (3)	2 (4)	1 (7)	0 (0)	0 (0)	1 (4)	0 (0)	4 (3)	11 (3)
Total			27	61	128	116	61	196	183	162	934	167	51	35	65	108	76	502	1,436
No. of firms			8	13	33	30	15	45	40	47	231	48	14	14	17	27	27	147	378 (100)

(Note) "Delay in flood recovery" is added to the survey questions from this time.



## 11. REQUESTS TO THE THAI GOVERNMENT

The predominant response was “Development and proper implementation of customs-related system” (50%), followed by “Stabilization of political/security situation” (36%) and “Improvement of education/human resources development” (34%).

In the manufacturing sector, “Stability of foreign exchange rate” (37%), “Prevention of labor disputes” (31%) and “Steady implementation of flood prevention measures” (26%) were high. In the non-manufacturing sector, “Relaxation of the Foreign Business Act” (44%) and “Work permit/visa-related issues” (36%) were high.

(Table 11) 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	Retailer	Finance/ Insurance/ Securities	Construction/ Civil engineering	Transportation/ Communications	Others	Non-manufacturing sector total	
1	1	Development and proper implementation of customs-related system	3 (38)	2 (15)	20 (61)	17 (53)	9 (60)	33 (79)	27 (69)	17 (37)	128 (56)	30 (63)	10 (71)	0 (0)	4 (25)	10 (38)	6 (22)	60 (41)	188 (50)
2	2	Stabilization of political/ security situation	4 (50)	7 (54)	7 (21)	13 (41)	5 (33)	21 (50)	16 (41)	16 (35)	89 (39)	13 (27)	7 (50)	6 (40)	5 (31)	7 (27)	9 (33)	47 (32)	136 (36)
3	3	Improvement of education/ human resources development	0 (0)	8 (62)	8 (24)	10 (31)	4 (27)	19 (45)	17 (44)	15 (33)	81 (36)	13 (27)	7 (50)	7 (47)	2 (13)	11 (42)	7 (26)	47 (32)	128 (34)
4	4	Development of infrastructure in Bangkok metropolis areas	1 (13)	3 (23)	8 (24)	9 (28)	5 (33)	10 (24)	12 (31)	18 (39)	66 (29)	20 (42)	2 (14)	7 (47)	3 (19)	7 (27)	6 (22)	45 (31)	111 (30)
5	5	Relaxation of the Foreign Business Act	3 (38)	1 (8)	7 (21)	3 (9)	2 (13)	7 (17)	10 (26)	13 (28)	46 (20)	18 (38)	5 (36)	6 (40)	10 (63)	11 (42)	14 (52)	64 (44)	110 (29)
—	6	Stability of foreign exchange rate	2 (25)	9 (69)	10 (30)	13 (41)	5 (33)	16 (38)	13 (33)	17 (37)	85 (37)	10 (21)	2 (14)	1 (7)	5 (31)	2 (8)	3 (11)	23 (16)	108 (29)
7	7	Work permit/ visa-related issues	0 (0)	1 (8)	4 (12)	4 (13)	1 (7)	7 (17)	7 (18)	15 (33)	39 (17)	17 (35)	2 (14)	6 (40)	10 (63)	7 (27)	10 (37)	52 (36)	91 (24)
6	8	Improvement of tax-related system	1 (13)	3 (23)	7 (21)	2 (6)	3 (20)	15 (36)	8 (21)	12 (26)	51 (22)	13 (27)	2 (14)	3 (20)	5 (31)	3 (12)	9 (33)	35 (24)	86 (23)
8	9	Prevention of labor disputes	0 (0)	3 (23)	7 (21)	12 (38)	3 (20)	11 (26)	23 (59)	11 (24)	70 (31)	3 (6)	0 (0)	0 (0)	0 (0)	3 (12)	1 (4)	7 (5)	77 (21)
—	10	Steady implementation of flood prevention measures	2 (25)	5 (38)	4 (12)	7 (22)	3 (20)	19 (45)	7 (18)	12 (26)	59 (26)	9 (19)	3 (21)	1 (7)	0 (0)	2 (8)	2 (7)	17 (12)	76 (20)
9	11	Broad-based infrastructure development linking Thailand with neighboring countries	0 (0)	6 (46)	8 (24)	4 (13)	1 (7)	10 (24)	5 (13)	5 (11)	39 (17)	10 (21)	1 (7)	3 (20)	0 (0)	8 (31)	1 (4)	23 (16)	62 (17)
11	12	Measures to prevent expansion of the new-type or bird influenza	0 (0)	0 (0)	0 (0)	2 (6)	1 (7)	1 (2)	3 (8)	1 (2)	8 (4)	5 (10)	1 (7)	0 (0)	1 (6)	0 (0)	0 (0)	7 (5)	15 (4)
10	13	Promotion of regional operating headquarters function (e.g. ROH, IPC)	0 (0)	1 (8)	1 (3)	0 (0)	1 (7)	3 (7)	2 (5)	1 (2)	9 (4)	2 (4)	0 (0)	1 (7)	0 (0)	1 (4)	2 (7)	6 (4)	15 (4)
-	-	Others	1 (13)	0 (0)	3 (9)	1 (3)	1 (7)	2 (5)	2 (5)	2 (4)	12 (5)	0 (0)	0 (0)	0 (0)	1 (6)	0 (0)	0 (0)	1 (1)	13 (3)
Total			17	49	94	97	44	174	152	155	782	163	42	41	46	72	70	434	1,216
No. of firms			8	13	33	32	15	42	39	46	228	48	14	15	16	26	27	146	374 (100)

(Note) “Stability in foreign exchange rate” and “Implementation of flood prevention measures” are added to the survey from this time

## 12. EFFECTS OF WEAK YEN AND STRONG BAHT

### (1) EFFECTS OF STRONG BAHT

As to the effect of strong Baht, 7% of the firms responded “Positive effect” and another 22 % chose “Slightly positive effect”. On the other hand, 19% of the firms answered “Negative effect” and 24% of the firms chose “Slightly negative effect”. The firms with the response of “No effect” accounted for 28% (Table 12-1).

(Table 12-1) Effect of strong baht

Unit: No. of firms and (%)

Industry		Positive effect	Slightly positive effect	No effect	Slightly negative effect	Negative effect	No. of firms
Manufacturing	Food	0 (0)	0 (0)	1 (14)	1 (14)	5 (71)	7
	Textiles	0 (0)	0 (0)	1 (9)	3 (27)	7 (64)	11
	Chemicals	1 (3)	11 (33)	7 (21)	9 (27)	5 (15)	33
	Steel/Non-ferrous metal	4 (13)	11 (35)	3 (10)	10 (32)	3 (10)	31
	General machinery	0 (0)	6 (40)	2 (13)	3 (20)	4 (27)	15
	Electrical/electronic machinery	5 (11)	11 (24)	6 (13)	8 (18)	15 (33)	45
	Transportation machinery	2 (5)	8 (21)	9 (24)	12 (32)	7 (18)	38
	Others	3 (7)	5 (11)	14 (30)	10 (22)	14 (30)	46
Manufacturing total		15 (7)	52 (23)	43 (19)	56 (25)	60 (27)	226
Non-manufacturing	Trading	4 (8)	15 (31)	11 (23)	13 (27)	5 (10)	48
	Retailer	4 (31)	4 (31)	3 (23)	1 (8)	1 (8)	13
	Finance/ Insurance/ Securities	0 (0)	0 (0)	12 (86)	2 (14)	0 (0)	14
	Construction/ Civil engineering	0 (0)	3 (19)	7 (44)	4 (25)	2 (13)	16
	Transportation/ Communications	2 (8)	2 (8)	14 (54)	8 (31)	0 (0)	26
	Others	1 (4)	4 (15)	15 (56)	6 (22)	1 (4)	27
	Non-manufacturing total	11 (8)	28 (19)	62 (43)	34 (24)	9 (6)	144
Grand total		26 (7)	80 (22)	105 (28)	90 (24)	69 (19)	370

(Ref. 1) Ratio of export sales value

Unit: % and No. of firms

	Manufacturing									Non-manufacturing							Grand total
	Food	Textiles	Chemicals	Steel/Non-ferrous metal	General machinery	Electrical/Electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retailer	Finance/ Securities/ Insurance	Construction/ Civil engineering	Transportation/ Communications	Others	Non-manufacturing total	
Not less than 0% but less than 25%	0	1	13	20	8	10	19	10	81	29	2	0	5	5	3	44	125
Not less than 25% but less than 50%	1	3	5	3	0	5	10	8	35	5	0	0	0	0	0	5	40
Not less than 50% but less than 75%	1	7	7	0	1	8	2	6	32	4	0	0	0	5	1	10	42
Not less than 75% but less than 100%	5	1	5	1	4	10	3	2	31	1	0	0	0	1	0	2	33
100%	0	0	0	0	0	8	0	7	15	0	1	0	0	0	0	1	16
Not less than 100%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
No. of firms	7	12	30	24	13	41	34	33	194	39	3	0	5	11	4	62	256
Minimum	30.0	5.0	1.0	0.1	1.0	3.5	3.0	0.1	0.1	0.2	0.0	0.0	1.0	3.0	5.0	0.0	0.0
Maximum	99.0	80.0	95.0	95.0	92.0	100.0	81.0	100.0	100.0	99.0	100.0	0.0	10.0	95.0	70.0	100.0	100.0
Average	77.1	51.8	39.6	14.5	37.6	59.5	27.9	47.0	41.9	18.2	34.3	0.0	5.2	40.3	26.9	22.4	37.2

(Ref. 2-a) Ratio of settlement currency for exports

Unit : %

Industry		US Dollar	Japanese Yen	Euro	Baht	Others	Total	No. of firms
Manufacturing	Food	45.0	20.0	6.0	29.0	0.0	100.0	5
	Textiles	77.3	18.8	2.2	1.8	0.0	100.0	12
	Chemicals	73.5	7.3	0.4	17.9	0.9	100.0	28
	Steel/Non-ferrous metal	71.2	7.9	0.0	20.9	0.0	100.0	25
	General machinery	46.9	26.7	1.9	21.5	2.9	100.0	13
	Electrical/electronic machinery	75.9	9.5	0.7	13.7	0.3	100.0	37
	Transportation machinery	25.4	21.5	1.1	47.7	4.3	100.0	33
	Others	49.8	23.1	0.6	26.3	0.2	100.0	34
	Manufacturing average	58.1	16.8	1.6	22.4	1.1	100.0	187
Non-manufacturing	Trading	68.0	21.7	1.3	8.3	0.7	100.0	35
	Retailer	25.0	25.0	0.0	50.0	0.0	100.0	4
	Construction/Civil engineering	22.0	27.0	0.0	51.0	0.0	100.0	5
	Others	41.9	27.5	0.3	30.3	0.0	100.0	16
	Non-manufacturing sector total	39.2	25.3	0.4	34.9	0.2	100.0	60
Total		48.7	21.1	1.0	28.6	0.6	100.0	247

(Note) Ratios are simple average of respondents.

(Ref. 2-b) Ratio of settlement currency for import

Unit : %

Industry		US Dollar	Japanese Yen	Euro	Baht	Others	Total	No. of firms
Manufacturing	Food	52.0	42.0	2.0	0.0	4.0	100.0	5
	Textile	73.3	20.0	0.4	6.4	0.0	100.0	11
	Chemical	53.3	28.6	1.1	17.1	0.0	100.0	28
	Steel/Non-ferrous metal	56.8	23.1	0.2	19.5	0.4	100.0	26
	General machinery	25.7	40.6	0.0	33.7	0.0	100.0	14
	Electrical/electronic machinery	57.2	24.6	0.3	16.9	1.0	100.0	37
	Transportation machinery	11.0	50.1	0.7	34.5	3.7	100.0	29
	Others	33.3	35.0	2.1	29.0	0.0	100.0	37
	Manufacturing average	45.3	33.0	0.8	19.6	1.1	100.0	187
Non-manufacturing	Trading	45.0	44.9	1.1	8.9	0.2	100.0	37
	Retailer	26.4	57.1	0.0	16.4	0.0	100.0	7
	Construction/Civil engineering	30.0	32.0	2.0	26.0	10.0	100.0	5
	Others	32.1	40.6	2.1	22.5	2.6	100.0	14
	Non-manufacturing sector total	33.4	43.7	1.3	18.4	3.2	100.0	63
Total		39.4	38.3	1.1	19.0	2.2	100.0	250

(Note) Ratios are simple average of respondents.

## (2) REASONS FOR THE POSITIVE EFFECT OF STRONG BAHT

Regarding reasons for the positive effect of strong Baht (check all that apply), the predominant responses was “Decrease of purchase cost etc.” (68%), followed by “Accrual of foreign exchange profit” (45%), and “Increase of shipments or export of goods and services” (5%) (Table 12-2).

(Table 12-2) Reasons for positive effect (check all that apply)

Unit: No. of firms and (%)

Industry		Decrease of purchase cost etc.	Accrual of foreign exchange profit	Increase of shipment or export of goods and services	Others	Total	No. of firms
Manufacturing	Food	0 (0)	0 (0)	0 (0)	0 (0)	0	0
	Textiles	0 (0)	0 (0)	0 (0)	0 (0)	0	0
	Chemicals	10 (83)	4 (33)	1 (8)	0 (0)	15	12
	Steel/Non-ferrous metal	13 (72)	7 (39)	0 (0)	2 (11)	22	18
	General machinery	4 (67)	4 (67)	0 (0)	0 (0)	8	6
	Electrical/ electronic machinery	15 (94)	5 (31)	0 (0)	0 (0)	20	16
	Transportation machinery	8 (57)	10 (71)	1 (7)	1 (7)	20	14
	Others	7 (58)	3 (25)	1 (8)	2 (17)	13	12
	Manufacturing total	57 (73)	33 (42)	3 (4)	5 (6)	98	78
Non-manufacturing	Trading	11 (55)	13 (65)	1 (5)	0 (0)	25	20
	Retailer	7 (100)	1 (14)	0 (0)	0 (0)	8	7
	Finance/ Insurance/ Securities	0 (0)	0 (0)	0 (0)	0 (0)	0	0
	Construction/ Civil engineering	2 (67)	1 (33)	0 (0)	0 (0)	3	3
	Transportation/ Communications	3 (60)	1 (20)	2 (40)	0 (0)	6	5
	Others	2 (29)	5 (71)	0 (0)	0 (0)	7	7
	Non-manufacturing total	25 (60)	21 (50)	3 (7)	0 (0)	49	42
	Grand total	82 (68)	54 (45)	6 (5)	5 (4)	147	120
Ranking		1	2	3	-		

### (3) REASONS FOR THE NEGATIVE EFFECT OF STRONG BAHT

Regarding reasons for the negative effect of strong Baht (check all that apply), the predominant responses was “Accrual of foreign exchange loss” (59%) followed by “Decrease of shipments or export of goods and services” (26%), and “Increase of purchase cost etc.” (18%) (Table 12-3).

(Table 12-3) Reasons for negative effect (check all that apply)

Unit: No. of firms and (%)

Industry		Accrual of foreign exchange loss	Decrease of shipments or export of goods and services	Increase of purchase cost etc.”	Others	Total	No. of firms
Manufacturing	Food	4 (57)	2 (29)	0 (0)	2 (29)	8	7
	Textiles	6 (55)	6 (55)	1 (9)	1 (9)	14	11
	Chemicals	8 (53)	3 (20)	2 (13)	4 (27)	17	15
	Steel/Non-ferrous metal	6 (40)	0 (0)	5 (33)	6 (40)	17	15
	General machinery	5 (71)	3 (43)	1 (14)	0 (0)	9	7
	Electrical/ electronic machinery	19 (83)	7 (30)	5 (22)	2 (9)	33	23
	Transportation machinery	10 (59)	5 (29)	2 (12)	3 (18)	20	17
	Others	15 (60)	6 (24)	6 (24)	4 (16)	31	25
Manufacturing total		73 (61)	32 (27)	22 (18)	22 (18)	149	120
Non-manufacturing	Trading	10 (50)	8 (40)	3 (15)	2 (10)	23	20
	Retailer	1 (50)	0 (0)	1 (50)	0 (0)	2	2
	Finance/ Insurance/ Securities	1 (33)	1 (33)	0 (0)	1 (33)	3	3
	Construction/ Civil engineering	3 (50)	0 (0)	1 (17)	3 (50)	7	6
	Transportation/ Communications	6 (67)	3 (33)	2 (22)	0 (0)	11	9
	Others	5 (71)	0 (0)	1 (14)	1 (14)	7	7
Non-manufacturing total		26 (55)	12 (26)	8 (17)	7 (15)	53	47
Grand total		99 (59)	44 (26)	30 (18)	29 (17)	202	167
Ranking		1	2	3	-		

#### (4) REASONS FOR NO EFFECT OF STRONG BAHT

Regarding reasons for no effect of strong Baht (check all that apply), the predominant responses was “No (or very little) trading activity” (52%) followed by “Exports and imports are comparable” (19%), “Trading activities are carried out in Thai Baht” (17%), and “Forward exchange contracts” (11%) (Table 12-4).

(Table 12-4) Reasons for no effect (check all that apply)

		Unit: No. of firms and (%)							
Industry		No (or very little) trading activity	Exports and imports are comparable	Trading activities are carried out in Thai Baht	Forward exchange contracts	Others	Total	No. of firms	
Manufacturing	Food	0 (0)	0 (0)	0 (0)	0 (0)	1 (100)	0	1	1
	Textiles	0 (0)	1 (100)	0 (0)	0 (0)	0 (0)	1	1	1
	Chemicals	3 (43)	2 (29)	0 (0)	1 (14)	2 (29)	6	7	7
	Steel/Non-ferrous metal	0 (0)	1 (33)	0 (0)	1 (33)	1 (33)	2	3	3
	General machinery	1 (50)	0 (0)	0 (0)	0 (0)	1 (50)	1	2	2
	Electrical/ electronic machinery	0 (0)	2 (40)	1 (20)	1 (20)	1 (20)	4	5	5
	Transportation machinery	3 (33)	3 (33)	6 (67)	1 (11)	0 (0)	13	9	9
	Others	5 (42)	2 (17)	4 (33)	0 (0)	1 (8)	11	12	12
	Manufacturing total	12 (30)	11 (28)	11 (28)	4 (10)	7 (18)	38	40	40
Non-manufacturing	Trading	2 (18)	6 (55)	2 (18)	4 (36)	0 (0)	14	11	11
	Retailer	3 (75)	0 (0)	0 (0)	1 (25)	3 (75)	4	4	4
	Finance/ Insurance/ Securities	8 (73)	0 (0)	0 (0)	0 (0)	0 (0)	8	11	11
	Construction/ Civil engineering	6 (86)	0 (0)	1 (14)	0 (0)	0 (0)	7	7	7
	Transportation/ Communications	9 (64)	2 (14)	2 (14)	2 (14)	1 (7)	15	14	14
	Others	13 (87)	0 (0)	1 (7)	0 (0)	12 (80)	14	15	15
	Non-manufacturing total	41 (66)	8 (13)	6 (10)	7 (11)	16 (26)	78	62	62
Grand total		53 (52)	19 (19)	17 (17)	11 (11)	0 (0)	100	102	102
Ranking		1	2	3	4	-			

## (5) EFFECTS OF THE WEAK YEN

As to the effect of weak Yen, 9% of the firms responded “Positive effect”, and 34 % chose “Slightly positive effect”. On the other hand, 12% of the firms answered “Negative effect” and 13% of the firms chose “Slightly negative effect”. The firms with the response of “No effect” accounted for 32% (Table12-5).

(Table 12-5) Effect of weak Yen

Unit: No. of firms and (%)

Industry		Positive effect	Slightly positive effect	No effect	Slightly negative effect	Negative effect	No. of firms
Manufacturing	Food	0 (0)	2 (25)	3 (38)	0 (0)	3 (38)	8
	Textiles	1 (8)	5 (38)	2 (15)	0 (0)	5 (38)	13
	Chemicals	1 (3)	16 (48)	10 (30)	2 (6)	4 (12)	33
	Steel/Non-ferrous metal	3 (10)	11 (37)	8 (27)	4 (13)	4 (13)	30
	General machinery	2 (13)	8 (53)	2 (13)	2 (13)	1 (7)	15
	Electrical/electronic machinery	3 (7)	15 (33)	16 (36)	4 (9)	7 (16)	45
	Transportation machinery	6 (15)	20 (51)	7 (18)	3 (8)	3 (8)	39
	Others	2 (4)	15 (32)	16 (34)	6 (13)	8 (17)	47
Manufacturing total		18 (8)	92 (40)	64 (28)	21 (9)	35 (15)	230
Non-manufacturing	Trading	8 (17)	13 (27)	10 (21)	10 (21)	7 (15)	48
	Retailer	3 (25)	5 (42)	3 (25)	1 (8)	0 (0)	12
	Finance/ Insurance/ Securities	0 (0)	1 (8)	10 (77)	2 (15)	0 (0)	13
	Construction/ Civil engineering	1 (6)	5 (29)	4 (24)	7 (41)	0 (0)	17
	Transportation/ Communications	2 (8)	6 (23)	12 (46)	6 (23)	0 (0)	26
	Others	1 (4)	4 (15)	16 (59)	2 (7)	4 (15)	27
Non-manufacturing sector total		15 (10)	34 (24)	55 (38)	28 (20)	11 (8)	143
Total		33 (9)	126 (34)	119 (32)	49 (13)	46 (12)	373

## (6) REASONS FOR POSITIVE EFFECT OF WEAK YEN

Regarding reasons for the positive effect of the weak Yen (check all that apply), the predominant response was “Decrease of purchase cost etc.” (75%) followed by “Accrual of foreign exchange profit” (30%) and “Increase of shipments or export of goods and services” (6%) (Table12-6).

(Table 12-6) Reasons for positive effect (check all that apply)

Unit: No. of firms and (%)

Industry		Decrease of purchase cost etc.	Accrual of foreign exchange profit	Increase of shipments or export of goods and services	Others	Total	No. of firms
Manufacturing	Food	2 (100)	0 (0)	0 (0)	0 (0)	2	2
	Textiles	3 (50)	2 (33)	1 (17)	0 (0)	6	6
	Chemicals	16 (89)	3 (17)	1 (6)	1 (6)	21	18
	Steel/Non-ferrous metal	13 (87)	3 (20)	2 (13)	0 (0)	18	15
	General machinery	9 (90)	3 (30)	0 (0)	0 (0)	12	10
	Electrical/ electronic machinery	15 (75)	6 (30)	1 (5)	2 (10)	24	20
	Transportation machinery	22 (85)	12 (46)	0 (0)	0 (0)	34	26
	Others	15 (79)	5 (26)	0 (0)	2 (11)	22	19
	Manufacturing total	95 (82)	34 (29)	5 (4)	5 (4)	139	116
Non-manufacturing	Trading	16 (76)	6 (29)	2 (10)	1 (5)	25	21
	Retailer	8 (89)	1 (11)	0 (0)	1 (11)	10	9
	Finance/ Insurance/ Securities	1 (33)	0 (0)	0 (0)	2 (67)	3	3
	Construction/ Civil engineering	3 (50)	3 (50)	0 (0)	0 (0)	6	6
	Transportation/ Communications	4 (40)	2 (20)	3 (30)	2 (20)	11	10
	Others	1 (17)	5 (83)	0 (0)	0 (0)	6	6
	Non-manufacturing total	33 (60)	17 (31)	5 (9)	6 (11)	61	55
Grand total		128 (75)	51 (30)	10 (6)	11 (6)	200	171
Ranking		1	2	3	-		



## (7) REASONS FOR THE NEGATIVE EFFECT OF WEAK YEN

Regarding reasons for the negative effect of the weak Yen (check all that apply), the predominant response was “Accrual of foreign exchange loss” (48%) followed by “Increase of purchase cost etc.” (25%) and “Decrease of shipments or export of goods and services” (24%) (Table 12-7).

(Table 12-7) Reasons for negative effect (check all that apply)

Unit: No. of firms and (%)

Industry		Accrual of foreign exchange loss	Increase of purchase cost etc.	Decrease of shipments or export of goods and services	Others	Total	No. of firms
Manufacturing	Food	1 (33)	0 (0)	2 (67)	0 (0)	3	3
	Textiles	2 (50)	0 (0)	1 (25)	1 (25)	4	4
	Chemicals	2 (33)	2 (33)	1 (17)	1 (17)	6	6
	Steel/Non-ferrous metal	2 (25)	3 (38)	0 (0)	3 (38)	8	8
	General machinery	0 (0)	0 (0)	0 (0)	1 (100)	1	1
	Electrical/ electronic machinery	8 (80)	2 (20)	2 (20)	0 (0)	12	10
	Transportation machinery	3 (50)	2 (33)	2 (33)	1 (17)	8	6
	Others	9 (60)	6 (40)	4 (27)	3 (20)	22	15
Manufacturing total		27 (51)	15 (28)	12 (23)	10 (19)	64	53
Non-manufacturing	Trading	9 (53)	3 (18)	5 (29)	3 (18)	20	17
	Retailer	0 (0)	0 (0)	1 (100)	0 (0)	1	1
	Finance/ Insurance/ Securities	2 (50)	2 (50)	0 (0)	1 (25)	5	4
	Construction/ Civil engineering	2 (29)	0 (0)	0 (0)	6 (86)	8	7
	Transportation/ Communications	3 (38)	2 (25)	4 (50)	1 (13)	10	8
	Others	3 (50)	2 (33)	1 (17)	0 (0)	6	6
	Non-manufacturing total	19 (44)	9 (21)	11 (26)	11 (26)	50	43
Grand total		46 (48)	24 (25)	23 (24)	21 (22)	114	96
Ranking		1	2	3	-		

## (8) REASONS FOR NO EFFECT OF WEAK YEN

Regarding reasons for no effect of the weak Yen (check all that apply), the predominant response was “No (or very little) trading activity” (58%) followed by “Exports and imports are comparable” (15%), then “Forward exchange contracts” (11%) and “Trading activities are carried out in Thai Baht” (3%) (Table 12-8).

(Table 12-8) Reasons for no effect (check all that apply)

Unit: No. of firms and (%)

Industry		No (or very little) trading activity	Exports and imports are comparable	Forward exchange contracts	Trading activities are carried out in Thai Baht	Others	Total	No. of firms
Manufacturing	Food	0 (0)	1 (33)	0 (0)	1 (33)	1 (33)	2	3
	Textiles	1 (50)	1 (50)	0 (0)	0 (0)	0 (0)	2	2
	Chemicals	6 (55)	1 (9)	2 (18)	0 (0)	2 (18)	9	11
	Steel/Non-ferrous metal	5 (63)	0 (0)	2 (25)	0 (0)	1 (13)	7	8
	General machinery	1 (50)	0 (0)	0 (0)	1 (50)	0 (0)	2	2
	Electrical/electronic machinery	5 (31)	5 (31)	1 (6)	1 (6)	4 (25)	12	16
	Transportation machinery	2 (33)	3 (50)	0 (0)	1 (17)	1 (17)	6	6
	Others	7 (47)	2 (13)	0 (0)	0 (0)	6 (40)	9	15
Manufacturing total		27 (43)	13 (21)	5 (8)	4 (6)	15 (24)	49	63
Non-manufacturing	Trading	4 (40)	3 (30)	5 (50)	0 (0)	0 (0)	12	10
	Retailer	3 (75)	0 (0)	1 (25)	0 (0)	2 (50)	4	4
	Finance/ Insurance/ Securities	8 (80)	0 (0)	0 (0)	0 (0)	0 (0)	8	10
	Construction/ Civil engineering	3 (100)	0 (0)	0 (0)	0 (0)	0 (0)	3	3
	Transportation/ Communications	10 (83)	1 (8)	1 (8)	0 (0)	2 (17)	12	12
	Others	13 (87)	0 (0)	1 (7)	0 (0)	20 (133)	14	15
	Non-manufacturing total	41 (76)	4 (7)	8 (15)	0 (0)	24 (44)	77	54
Grand total		68 (58)	17 (15)	13 (11)	4 (3)	0 (0)	102	117
Ranking		1	2	3	4	-		

## (9) COUNTERMEASURES AGAINST FOREIGN EXCHANGE FLUCTUATION

Regarding countermeasures against foreign exchange fluctuation (check all that apply), the predominant response was “Forward exchange contracts” (45%) followed by “Increase of local procurement ratio” (25%) and “Increase of transactions in Thai Baht” 18(%) (Table 12-9).

(Table 12-9) Countermeasures against foreign exchange fluctuation (check all that apply)

Unit: No. of firms and (%)

Industry		Forward exchange contracts	Increase of local procurement ratio	Increase of transactions in Thai Baht	Increase in sales for Thai domestic markets	Diversification in settlement currencies	Reduction in export	Others	Total	No. of firms
Manufacturing	Food	5 (63)	1 (13)	1 (13)	3 (38)	1 (13)	0 (0)	0 (0)	10	8
	Textiles	8 (62)	1 (8)	3 (23)	6 (46)	0 (0)	1 (8)	1 (8)	18	13
	Chemicals	10 (32)	8 (26)	5 (16)	4 (13)	4 (13)	0 (0)	10 (32)	27	31
	Steel/Non-ferrous metal	18 (69)	5 (19)	2 (8)	3 (12)	1 (4)	0 (0)	2 (8)	28	26
	General machinery	6 (55)	7 (64)	1 (9)	2 (18)	0 (0)	0 (0)	2 (18)	16	11
	Electrical/electronic machinery	20 (47)	14 (33)	3 (7)	8 (19)	6 (14)	0 (0)	9 (21)	45	43
	Transportation machinery	8 (22)	20 (56)	14 (39)	7 (19)	2 (6)	3 (8)	6 (17)	49	36
	Others	11 (26)	14 (33)	4 (9)	12 (28)	4 (9)	2 (5)	10 (23)	41	43
Manufacturing total		86 (41)	70 (33)	33 (16)	45 (21)	18 (9)	6 (3)	40 (19)	234	211
Non-manufacturing	Trading	34 (76)	3 (7)	3 (7)	5 (11)	4 (9)	4 (9)	1 (2)	45	45
	Retailer	3 (38)	1 (13)	2 (25)	2 (25)	0 (0)	0 (0)	2 (25)	8	8
	Finance/ Insurance/ Securities	2 (29)	0 (0)	1 (14)	0 (0)	1 (14)	0 (0)	3 (43)	3	7
	Construction/ Civil engineering	4 (50)	1 (13)	3 (38)	0 (0)	0 (0)	0 (0)	2 (25)	8	8
	Transportation/ Communications	7 (41)	0 (0)	8 (47)	0 (0)	1 (6)	0 (0)	2 (12)	15	17
	Others	3 (19)	4 (25)	6 (38)	1 (6)	3 (19)	0 (0)	1 (6)	14	16
Non-manufacturing total		53 (52)	9 (9)	23 (23)	8 (8)	9 (9)	4 (4)	11 (11)	106	101
Grand total		139 (45)	79 (25)	56 (18)	53 (17)	27 (9)	10 (3)	51 (16)	364	312
Ranking		1	2	3	4	5	6	-		

# **(10) AFFECT ON INVESTMENT BY RECENT STRONG BAHT AND WEAK YEN**

Affect on investment by the recent strong Baht and weak Yen (check all that apply), the percentage of firms responding “Increase” was 5% while “Decrease” was 10%. The percentage of firms responding “Not changed” was 59% (Table 14-10).

(Table 12-10) Affect on investment by the recent strong Baht and weak Yen

Unit: No. of firms and (%)

Industry		Increase	No change	Decrease	Don't know	No. of firms
Manufacturing	Food	0 (0)	6 (75)	2 (25)	0 (0)	8
	Textiles	1 (8)	8 (62)	1 (8)	3 (23)	13
	Chemicals	0 (0)	18 (55)	4 (12)	11 (33)	33
	Steel/Non-ferrous metal	0 (0)	21 (70)	0 (0)	9 (30)	30
	General machinery	1 (7)	6 (40)	4 (27)	4 (27)	15
	Electrical/ electronic machinery	2 (5)	28 (64)	3 (7)	11 (25)	44
	Transportation machinery	4 (10)	24 (62)	7 (18)	4 (10)	39
	Others	5 (11)	22 (47)	5 (11)	15 (32)	47
	Manufacturing total	13 (6)	133 (58)	26 (11)	57 (25)	229
Non-manufacturing	Trading	2 (4)	26 (55)	6 (13)	13 (28)	47
	Retailer	0 (0)	9 (75)	0 (0)	3 (25)	12
	Finance/ Insurance/ Securities	0 (0)	10 (77)	1 (8)	2 (15)	13
	Construction/ Civil engineering	0 (0)	7 (50)	2 (14)	5 (36)	14
	Transportation/ Communications	3 (12)	16 (64)	0 (0)	6 (24)	25
	Others	1 (4)	17 (63)	2 (7)	7 (26)	27
	Non-manufacturing total	6 (4)	85 (62)	11 (8)	36 (26)	138
Grand total		19 (5)	218 (59)	37 (10)	93 (25)	367

### 13. MEASURES FOR MID- AND LONG-TERM GROWTH OF THAILAND

#### (1) Measures for mid- and long-term growth of Thailand

Regarding measures required for continuation of the mid- and long-term growth of Thailand (check all that apply), the predominant response was “Infrastructure improvement (Roads)” (62%), followed by “Improvement of connectivity with neighboring countries” (38%), “Infrastructure improvement (Railways)” (37%), “Implement of Education” (33%), and “Utilization of foreign workers” (31%). (Table 13-1).

(Table 13-1) Measures for mid- to long- term growth of 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	Retailer	Finance/ Insurance/ Securities	Construction/ Civil engineering	Transportation/ Communications	Others	Non-manufacturing sector total	
1	Infrastructure improvement (Roads)	5 (63)	9 (75)	19 (58)	18 (58)	12 (80)	28 (64)	28 (72)	31 (66)	150 (66)	26 (55)	8 (57)	12 (75)	8 (50)	11 (41)	17 (63)	82 (56)	232 (62)
2	Improvement of connectivity with neighboring countries	0 (0)	6 (50)	12 (36)	7 (23)	5 (33)	13 (30)	20 (51)	17 (36)	80 (35)	25 (53)	7 (50)	8 (50)	4 (25)	13 (48)	6 (22)	63 (43)	143 (38)
3	Infrastructure improvement (Railways)	3 (38)	7 (58)	14 (42)	10 (32)	4 (27)	14 (32)	14 (36)	15 (32)	81 (35)	17 (36)	7 (50)	8 (50)	6 (38)	12 (44)	8 (30)	58 (39)	139 (37)
4	Implement of education	3 (38)	3 (25)	10 (30)	16 (52)	4 (27)	18 (41)	11 (28)	16 (34)	81 (35)	11 (23)	5 (36)	3 (19)	6 (38)	10 (37)	9 (33)	44 (30)	125 (33)
5	Utilization of foreign workers	4 (50)	3 (25)	12 (36)	9 (29)	3 (20)	16 (36)	13 (33)	11 (23)	71 (31)	11 (23)	2 (14)	4 (25)	7 (44)	12 (44)	9 (33)	45 (31)	116 (31)
6	Energy efficiency	3 (38)	3 (25)	9 (27)	6 (19)	5 (33)	15 (34)	11 (28)	15 (32)	67 (29)	9 (19)	5 (36)	3 (19)	3 (19)	4 (15)	6 (22)	30 (20)	97 (26)
7	Infrastructure improvement (Harbors)	2 (25)	2 (17)	9 (27)	8 (26)	4 (27)	9 (20)	11 (28)	11 (23)	56 (24)	8 (17)	1 (7)	5 (31)	3 (19)	13 (48)	7 (26)	37 (25)	93 (25)
8	Business development in neighboring countries	0 (0)	4 (33)	6 (18)	3 (10)	5 (33)	9 (20)	4 (10)	8 (17)	39 (17)	15 (32)	3 (21)	4 (25)	3 (19)	7 (26)	11 (41)	43 (29)	82 (22)
9	Energy security	1 (13)	3 (25)	7 (21)	8 (26)	6 (40)	16 (36)	9 (23)	9 (19)	59 (26)	5 (11)	1 (7)	0 (0)	1 (6)	4 (15)	5 (19)	16 (11)	75 (20)
10	Improvement of productivity by investment in automation	2 (25)	1 (8)	8 (24)	6 (19)	4 (27)	11 (25)	13 (33)	7 (15)	52 (23)	5 (11)	1 (7)	1 (6)	2 (13)	5 (19)	3 (11)	17 (12)	69 (18)
11	Development of consumer market by expansion of social security systems	1 (13)	1 (8)	3 (9)	2 (6)	3 (20)	7 (16)	3 (8)	7 (15)	27 (12)	9 (19)	6 (43)	3 (19)	1 (6)	1 (4)	5 (19)	25 (17)	52 (14)
12	Measures against declining birth rates	0 (0)	1 (8)	6 (18)	3 (10)	1 (7)	5 (11)	2 (5)	4 (9)	22 (10)	9 (19)	2 (14)	3 (19)	4 (25)	3 (11)	2 (7)	23 (16)	45 (12)
13	Expansion of investment in research & development	2 (25)	1 (8)	4 (12)	2 (6)	2 (13)	7 (16)	6 (15)	7 (15)	31 (14)	9 (19)	0 (0)	0 (0)	1 (6)	0 (0)	4 (15)	14 (10)	45 (12)
-	Others	0 (0)	1 (8)	1 (3)	0 (0)	0 (0)	1 (2)	1 (3)	1 (2)	5 (2)	1 (2)	1 (7)	0 (0)	0 (0)	0 (0)	0 (0)	2 (1)	7 (2)
Total		26	45	120	98	58	169	146	159	821	160	49	54	49	95	92	499	1,320
No. of firms		8	12	33	31	15	44	39	47	229	47	14	16	16	27	27	147	376 (100)

## (2) The categories of education required emphasize

Regarding the categories of education required emphasize in Thailand (check all that apply), the predominant response was “Higher education (Science & Engineering)” (36%), followed by “Higher education (languages)” (33%), “Primary/secondary education (science & mathematics)” (28%).

In the manufacturing sector, “Vocational training (Machine work&metal work)” (36%) was also high. In the non-manufacturing sector, “Primary/ secondary education (Language)”(28%) was also high (Table 13-2).

(Table 13-2) The categories of education required to emphasis (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	Retailer	Finance/ Insurance/ Securities	Construction/ Civil engineering	Transportation/ Communications	Others	Non-manufacturing sector total	
1	Higher education (Science & Engineering)	3 (38)	4 (36)	13 (41)	11 (39)	7 (47)	18 (41)	17 (44)	20 (43)	93 (42)	15 (32)	2 (15)	2 (13)	7 (44)	4 (16)	8 (30)	38 (26)	131 (36)
2	Higher education (Languages)	2 (25)	3 (27)	9 (28)	6 (21)	6 (40)	17 (39)	16 (41)	18 (38)	77 (34)	13 (28)	2 (15)	1 (6)	6 (38)	13 (52)	10 (37)	45 (31)	122 (33)
3	Primary/secondary education (Science & mathematics)	2 (25)	2 (18)	10 (31)	11 (39)	4 (27)	16 (36)	10 (26)	16 (34)	71 (32)	15 (32)	6 (46)	2 (13)	1 (6)	3 (12)	6 (22)	33 (23)	104 (28)
4	Primary/secondary education (languages)	2 (25)	3 (27)	6 (19)	11 (39)	6 (40)	12 (27)	9 (23)	14 (30)	63 (28)	11 (23)	7 (54)	5 (31)	4 (25)	8 (32)	6 (22)	41 (28)	104 (28)
5	Primary/secondary education (Social)	1 (13)	2 (18)	7 (22)	11 (39)	2 (13)	11 (25)	11 (28)	18 (38)	63 (28)	13 (28)	5 (38)	4 (25)	4 (25)	5 (20)	7 (26)	38 (26)	101 (27)
6	Vocational training (Machine work & metal work)	2 (25)	5 (45)	7 (22)	10 (36)	4 (27)	16 (36)	19 (49)	18 (38)	81 (36)	10 (21)	0 (0)	2 (13)	3 (19)	1 (4)	2 (7)	18 (13)	99 (27)
7	Vocational training (Electrical & chemistry)	0 (0)	3 (27)	14 (44)	2 (7)	3 (20)	24 (55)	9 (23)	11 (23)	66 (29)	14 (30)	0 (0)	3 (19)	4 (25)	1 (4)	1 (4)	23 (16)	89 (24)
8	Higher education (Legal & economics)	1 (13)	4 (36)	1 (3)	2 (7)	1 (7)	6 (14)	7 (18)	10 (21)	32 (14)	11 (23)	4 (31)	6 (38)	4 (25)	8 (32)	5 (19)	38 (26)	70 (19)
9	Vocational training (Office work)	1 (13)	4 (36)	4 (13)	2 (7)	4 (27)	9 (20)	6 (15)	9 (19)	39 (17)	12 (26)	3 (23)	5 (31)	1 (6)	7 (28)	3 (11)	31 (22)	70 (19)
10	Internships	0 (0)	0 (0)	2 (6)	1 (4)	1 (7)	5 (11)	4 (10)	5 (11)	18 (8)	5 (11)	0 (0)	2 (13)	0 (0)	5 (20)	6 (22)	18 (13)	36 (10)
11	Others	0 (0)	1 (9)	3 (9)	0 (0)	0 (0)	3 (7)	1 (3)	2 (4)	10 (4)	2 (4)	0 (0)	1 (6)	0 (0)	1 (4)	0 (0)	4 (3)	14 (4)
Total		14	31	76	67	38	137	109	141	613	121	29	33	34	56	54	327	940
No. of firms		8	11	32	28	15	44	39	47	224	47	13	16	16	25	27	144	368 (100)

### (3) Advantages of Thai employees

Regarding advantages of Thai employees (check all that apply), the predominant response was “Attitude toward work” (40%), followed by “On-site business sense” (26%), “Basic knowledge” 25%) (Table 13-3).

(Table 13-3) Advantages of Thai employees (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	Retailer	Finance/Insurance/Securities	Construction/Civil engineering	Transportation/Communications	Others	Non-manufacturing sector total	
1	Attitude toward work	1 (13)	2 (20)	8 (28)	12 (39)	8 (62)	18 (42)	15 (42)	15 (35)	79 (37)	18 (38)	9 (69)	7 (50)	4 (24)	9 (38)	16 (59)	63 (44)	142 (40)
2	On-site business sense	3 (38)	2 (20)	10 (34)	9 (29)	2 (15)	10 (23)	7 (19)	16 (37)	59 (28)	8 (17)	4 (31)	4 (29)	4 (24)	8 (33)	7 (26)	35 (25)	94 (26)
3	Basic knowledge	3 (38)	3 (30)	11 (38)	10 (32)	5 (38)	12 (28)	7 (19)	5 (12)	56 (26)	7 (15)	1 (8)	2 (14)	6 (35)	8 (33)	10 (37)	34 (24)	90 (25)
4	Language ability	0 (0)	2 (20)	10 (34)	6 (19)	5 (38)	4 (9)	8 (22)	6 (14)	41 (19)	18 (38)	2 (15)	3 (21)	4 (24)	6 (25)	8 (30)	41 (29)	82 (23)
5	Patience	1 (13)	0 (0)	5 (17)	10 (32)	2 (15)	13 (30)	6 (17)	12 (28)	49 (23)	8 (17)	3 (23)	6 (43)	7 (41)	4 (17)	5 (19)	33 (23)	82 (23)
6	Basic skills	4 (50)	4 (40)	5 (17)	8 (26)	3 (23)	10 (23)	6 (17)	6 (14)	46 (22)	4 (9)	1 (8)	1 (7)	5 (29)	1 (4)	1 (4)	13 (9)	59 (17)
7	Communication ability	0 (0)	2 (20)	4 (14)	3 (10)	1 (8)	8 (19)	6 (17)	7 (16)	31 (15)	13 (28)	2 (15)	2 (14)	5 (29)	2 (8)	4 (15)	28 (20)	59 (17)
8	Technical knowledge	1 (13)	3 (30)	4 (14)	3 (10)	2 (15)	4 (9)	8 (22)	10 (23)	35 (16)	6 (13)	3 (23)	1 (7)	1 (6)	3 (13)	5 (19)	19 (13)	54 (15)
9	Others	0 (0)	1 (10)	3 (10)	2 (6)	1 (8)	11 (26)	7 (19)	1 (2)	26 (12)	6 (13)	0 (0)	0 (0)	1 (6)	3 (13)	1 (4)	11 (8)	37 (10)
10	Technical skills	2 (25)	3 (30)	4 (14)	3 (10)	1 (8)	4 (9)	1 (3)	8 (19)	26 (12)	2 (4)	2 (15)	1 (7)	2 (12)	0 (0)	0 (0)	7 (5)	33 (9)
11	Logical thinking	0 (0)	0 (0)	3 (10)	1 (3)	3 (23)	2 (5)	1 (3)	3 (7)	13 (6)	2 (4)	1 (8)	1 (7)	0 (0)	0 (0)	3 (11)	7 (5)	20 (6)
12	Ability to prepare proposals	0 (0)	0 (0)	2 (7)	1 (3)	1 (8)	0 (0)	2 (6)	8 (19)	14 (7)	3 (6)	0 (0)	0 (0)	0 (0)	1 (4)	2 (7)	6 (4)	20 (6)
Total		15	22	69	68	34	96	74	97	475	95	28	28	39	45	62	297	772
No. of firms		8	10	29	31	13	43	36	43	213	47	13	14	17	24	27	142	355 (100)

## 14. REGIONAL COMPREHENSIVE ECONOMIC PARTNERSHIP (RCEP)

### (1) Expectation for implementation of the items under consideration by RCEP

As to expectation for implementation of the items under consideration by the RCEP, the predominant response was “Improvement of various systems (Transparency of customs clearance, relaxation of issue of work permits/visa, etc.)” (51%), followed by “High level of liberalization in terms of item numbers and trade volume” (37%) and “Relaxation or elimination of non-tariff barriers” (34%).

In the manufacturing sector, “Introduction of user-friendly rules of origin” (38%) and “Standardization of the certificate of origin in 16 countries” (37%) were high.

In the non-manufacturing sector, “Relaxation or elimination of influx of foreign capitals” (51%) and “Relaxation of service trade barriers” (27%) were high (Table 14-1).

※**Regional Comprehensive Economic Partnership (RCEP)** is a wide-area economic partnership between sixteen nations, including the ten ASEAN nations and Japan, China, South Korea, India, Australia and New Zealand, which was established by the leaders of the above nations at a top-level meeting held by ASEAN in November 2012. Negotiation has already started in May 2013, aiming at a conclusion by the end of 2015.

(Table 14-1) Expectation for implementation of the items under consideration by the RCEP (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	Retailer	Finance/ Insurance/ Securities	Construction/ Civil engineering	Transportation/ Communications	Others	Non-manufacturing sector total	
1	Improvement of various systems (Transparency of customs clearance, relaxation of issue of work permits/visa, etc.)	4 (50)	4 (33)	17 (53)	9 (36)	10 (67)	23 (55)	18 (50)	21 (49)	106 (50)	26 (59)	8 (62)	3 (20)	5 (38)	16 (64)	12 (50)	70 (52)	176 (51)
2	High level of liberalization in terms of item numbers and trade volume	2 (25)	6 (50)	14 (44)	7 (28)	7 (47)	20 (48)	16 (44)	15 (35)	87 (41)	20 (45)	6 (46)	1 (7)	2 (15)	5 (20)	6 (25)	40 (30)	127 (37)
3	Relaxation or elimination of non-tariff barriers	3 (38)	5 (42)	14 (44)	10 (40)	2 (13)	18 (43)	17 (47)	14 (33)	83 (39)	15 (34)	5 (38)	3 (20)	3 (23)	5 (20)	5 (21)	36 (27)	119 (34)
4	Standardization of the certificate of origin in 16 countries	6 (75)	2 (17)	10 (31)	7 (28)	8 (53)	15 (36)	12 (33)	19 (44)	79 (37)	21 (48)	2 (15)	0 (0)	2 (15)	7 (28)	1 (4)	33 (25)	112 (32)
5	Introduction of user-friendly rules of origin	2 (25)	3 (25)	15 (47)	9 (36)	3 (20)	16 (38)	19 (53)	14 (33)	81 (38)	17 (39)	3 (23)	0 (0)	2 (15)	5 (20)	2 (8)	29 (22)	110 (32)
6	Relaxation or elimination of regulation for influx of foreign capitals	3 (38)	1 (8)	8 (25)	5 (20)	0 (0)	9 (21)	6 (17)	9 (21)	41 (19)	15 (34)	5 (38)	12 (80)	7 (54)	17 (68)	12 (50)	68 (51)	109 (31)
7	Participation by all the relevant countries, including ASEAN and Japan, China, South Korea, India, Australia and New Zealand	1 (13)	5 (42)	6 (19)	6 (24)	3 (20)	11 (26)	5 (14)	15 (35)	52 (24)	8 (18)	1 (8)	4 (27)	1 (8)	3 (12)	6 (25)	23 (17)	75 (22)
8	Relaxation or elimination of investment restrictions	0 (0)	0 (0)	8 (25)	6 (24)	1 (7)	9 (21)	10 (28)	8 (19)	42 (20)	8 (18)	1 (8)	7 (47)	4 (31)	7 (28)	5 (21)	32 (24)	74 (21)
9	Relaxation or elimination of service trade barriers	1 (13)	0 (0)	6 (19)	5 (20)	3 (20)	10 (24)	3 (8)	3 (7)	31 (15)	8 (18)	4 (31)	6 (40)	3 (23)	9 (36)	6 (25)	36 (27)	67 (19)
10	Improvement of intellectual property rights	1 (13)	1 (8)	4 (13)	0 (0)	2 (13)	6 (14)	1 (3)	7 (16)	22 (10)	4 (9)	2 (15)	1 (7)	1 (8)	1 (4)	8 (33)	17 (13)	39 (11)
11	Accumulation of added value resulting from the rules of origin	0 (0)	0 (0)	2 (6)	3 (12)	0 (0)	5 (12)	3 (8)	5 (12)	18 (8)	3 (7)	0 (0)	0 (0)	1 (8)	0 (0)	1 (4)	5 (4)	23 (7)
12	Economic and technical cooperation for reducing any development gap among member countries	0 (0)	0 (0)	0 (0)	1 (4)	0 (0)	3 (7)	4 (11)	3 (7)	11 (5)	1 (2)	0 (0)	0 (0)	0 (0)	0 (0)	2 (8)	3 (2)	14 (4)
-	Others	0 (0)	0 (0)	1 (3)	1 (4)	0 (0)	0 (0)	0 (0)	0 (0)	2 (1)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	2 (1)
Total		23	27	105	69	39	145	114	133	655	146	37	37	31	75	66	392	1,047
No. of firms		8	12	32	25	15	42	36	43	213	44	13	15	13	25	24	134	347 (100)



## (2) The countries with which firms desire to expand business under RCEP

Regarding countries with which firms desire to expand business under RCEP (check all that apply), the predominant response was “Indonesia” (40%), followed by “Myanmar” (39%), “Vietnam” (39%), and “India” (30%).

In the manufacturing sector, the predominant response was “Indonesia” (40%), followed by “Vietnam” (39%).

In the non-manufacturing sector, the predominant response was “Myanmar” (55%), followed by “Indonesia” (38%) and “Vietnam” (38%) (Table 14-2).

(Table 14-2) The countries with which firms desire to expand business under RCEP (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	Retailer	Finance/ Insurance/ Securities	Construction/ Civil engineering	Transportation/ Communications	Others	Non-manufacturing sector total	
1	Indonesia	3 (38)	3 (25)	15 (47)	9 (33)	6 (43)	17 (40)	20 (57)	14 (30)	87 (40)	18 (41)	3 (30)	4 (31)	5 (38)	10 (40)	10 (40)	50 (38)	137 (40)
2	Myanmar	2 (25)	6 (50)	6 (19)	7 (26)	7 (50)	14 (33)	7 (20)	15 (33)	64 (30)	24 (55)	4 (40)	7 (54)	6 (46)	16 (64)	14 (56)	71 (55)	135 (39)
3	Vietnam	4 (50)	5 (42)	15 (47)	11 (41)	5 (36)	16 (38)	11 (31)	18 (39)	85 (39)	18 (41)	3 (30)	4 (31)	5 (38)	10 (40)	10 (40)	50 (38)	135 (39)
4	India	0 (0)	3 (25)	18 (56)	11 (41)	4 (29)	17 (40)	10 (29)	16 (35)	79 (37)	11 (25)	1 (10)	5 (38)	0 (0)	5 (20)	2 (8)	24 (18)	103 (30)
5	Japan	3 (38)	6 (50)	9 (28)	7 (26)	1 (7)	10 (24)	7 (20)	14 (30)	57 (26)	13 (30)	3 (30)	2 (15)	4 (31)	7 (28)	8 (32)	37 (28)	94 (27)
6	Cambodia	1 (13)	5 (42)	6 (19)	5 (19)	3 (21)	8 (19)	4 (11)	11 (24)	43 (20)	11 (25)	3 (30)	4 (31)	6 (46)	11 (44)	9 (36)	44 (34)	87 (25)
7	Malaysia	3 (38)	2 (17)	9 (28)	5 (19)	1 (7)	10 (24)	10 (29)	5 (11)	45 (21)	8 (18)	4 (40)	2 (15)	4 (31)	4 (16)	5 (20)	27 (21)	72 (21)
8	Laos	2 (25)	3 (25)	5 (16)	4 (15)	2 (14)	5 (12)	2 (6)	7 (15)	30 (14)	10 (23)	3 (30)	5 (38)	3 (23)	11 (44)	9 (36)	41 (32)	71 (21)
9	China	1 (13)	4 (33)	8 (25)	4 (15)	1 (7)	15 (36)	10 (29)	8 (17)	51 (24)	11 (25)	2 (20)	2 (15)	0 (0)	5 (20)	0 (0)	20 (15)	71 (21)
10	Philippines	1 (13)	1 (8)	6 (19)	3 (11)	2 (14)	7 (17)	2 (6)	6 (13)	28 (13)	6 (14)	3 (30)	2 (15)	1 (8)	2 (8)	4 (16)	18 (14)	46 (13)
11	Singapore	2 (25)	2 (17)	3 (9)	1 (4)	0 (0)	3 (7)	1 (3)	3 (7)	15 (7)	4 (9)	1 (10)	1 (8)	2 (15)	2 (8)	3 (12)	13 (10)	28 (8)
12	Australia	4 (50)	1 (8)	3 (9)	1 (4)	1 (7)	3 (7)	2 (6)	7 (15)	22 (10)	1 (2)	1 (10)	0 (0)	0 (0)	0 (0)	0 (0)	2 (2)	24 (7)
13	Korea	0 (0)	1 (8)	3 (9)	2 (7)	0 (0)	2 (5)	2 (6)	2 (4)	12 (6)	5 (11)	0 (0)	0 (0)	1 (8)	1 (4)	0 (0)	7 (5)	19 (5)
14	New Zealand	2 (25)	0 (0)	2 (6)	1 (4)	0 (0)	0 (0)	1 (3)	2 (4)	8 (4)	1 (2)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (1)	9 (3)
-	None	0 (0)	1 (8)	2 (6)	5 (19)	3 (21)	4 (10)	2 (6)	5 (11)	22 (10)	0 (0)	0 (0)	3 (23)	2 (15)	2 (8)	0 (0)	7 (5)	29 (8)
Total		28	43	110	76	36	131	91	133	648	141	31	41	39	86	74	412	1,060
No. of firms		8	12	32	27	14	42	35	46	216	44	10	13	13	25	25	130	346 (100)

## 15. ASEAN ECONOMIC COMMUNITY (AEC)

As for the expectation for implementation of the AEC items (check all that apply), the predominant response was “Simplified customs clearance” (63%), followed by “Mutual duty exemption among CLMV” (39%), “Free movement of skilled labor” (32%) and “Infrastructure development in the CLMV” (23%).

In the manufacturing sector, “Simplified customs clearance” (69%) and “Mutual duty exemption among CLMV” (40%) were also high. In the non-manufacturing sector, “Simplified customs clearance” (55%) and “Relaxation of capital control in the service sector” (39%) were also high (Table 15).

(Table 15) The expectation for implementation of the 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	Retail	Finance/ Insurance/ Securities	Construction/ Civil engineering	Transportation/ Communications	Others	Non-manufacturing sector total	
1	Simplified customs clearance	4 (50)	6 (46)	24 (77)	19 (76)	9 (64)	31 (74)	25 (76)	27 (60)	145 (69)	33 (75)	7 (70)	0 (0)	5 (36)	16 (64)	11 (46)	72 (55)	217 (63)
2	Elimination of import tariffs in CLMV	1 (13)	7 (54)	12 (39)	6 (24)	8 (57)	13 (31)	14 (42)	23 (51)	84 (40)	21 (48)	4 (40)	1 (7)	5 (36)	13 (52)	6 (25)	50 (38)	134 (39)
3	Free movement of skilled labor	3 (38)	6 (46)	11 (35)	6 (24)	7 (50)	13 (31)	12 (36)	15 (33)	73 (35)	5 (11)	0 (0)	2 (14)	11 (79)	11 (44)	9 (38)	38 (29)	111 (32)
4	Infrastructure development in the CLMV	2 (25)	4 (31)	4 (13)	2 (8)	2 (14)	9 (21)	5 (15)	14 (31)	42 (20)	15 (34)	3 (30)	3 (21)	1 (7)	10 (40)	3 (13)	35 (27)	77 (23)
5	Introduction of common systems of standardizations and certifications in ASEAN	0 (0)	4 (31)	4 (13)	5 (20)	3 (21)	13 (31)	9 (27)	10 (22)	48 (23)	11 (25)	4 (40)	2 (14)	0 (0)	2 (8)	5 (21)	24 (18)	72 (21)
6	Relaxation of capital control in the service sector	2 (25)	1 (8)	2 (6)	2 (8)	0 (0)	5 (12)	3 (9)	1 (2)	16 (8)	10 (23)	1 (10)	8 (57)	7 (50)	15 (60)	10 (42)	51 (39)	67 (20)
7	Further deregulation of capital transfer	1 (13)	2 (15)	6 (19)	2 (8)	1 (7)	4 (10)	7 (21)	3 (7)	26 (12)	7 (16)	1 (10)	8 (57)	3 (21)	2 (8)	8 (33)	29 (22)	55 (16)
8	Deregulation of investment in manufacturing, mining, agriculture and forestry industries	2 (25)	2 (15)	6 (19)	2 (8)	4 (29)	4 (10)	6 (18)	7 (16)	33 (16)	5 (11)	1 (10)	1 (7)	2 (14)	0 (0)	1 (4)	10 (8)	43 (13)
9	Improvement of intellectual property rights-related system	0 (0)	0 (0)	6 (19)	2 (8)	0 (0)	6 (14)	2 (6)	7 (16)	23 (11)	4 (9)	0 (0)	2 (14)	1 (7)	0 (0)	8 (33)	15 (11)	38 (11)
10	Introduction of self-certification system in AFTA	0 (0)	3 (23)	0 (0)	5 (20)	1 (7)	9 (21)	6 (18)	4 (9)	28 (13)	4 (9)	0 (0)	0 (0)	0 (0)	0 (0)	3 (13)	7 (5)	35 (10)
11	Harmonized policy within the region (e.g. fair competition, consumer protection)	0 (0)	0 (0)	0 (0)	2 (8)	0 (0)	3 (7)	2 (6)	3 (7)	10 (5)	2 (5)	1 (10)	2 (14)	0 (0)	2 (8)	0 (0)	7 (5)	17 (5)
12	Others	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (3)	0 (0)	1 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (0)
Total		15	35	75	53	35	110	92	114	529	117	22	29	35	71	64	338	867
No. of firms		8	13	31	25	14	42	33	45	211	44	10	14	14	25	24	131	342 (100)