

Survey of Business Sentiment on Japanese Corporations in Thailand For the 1st 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.

Survey of Business Sentiment by Japanese Corporations in Thailand For the 1st half of 2014

JCC Economic Survey Team

Press Release: 29 July, 2014

Survey Period

Questionnaire request date 21 May, 2014

Questionnaire response deadline 20 June, 2014

Questionnaire response

This questionnaire was distributed to
1,541 JCC member corporations.
(Eleven governmental organizations were excluded).

No. of firms responding to this questionnaire
423 corporations

The response percentage
27.5%

No. of firms	
Industry	No.
Manufacturing	Food
	Textiles
	Chemicals
	Steel/Non-ferrous metal
	General machinery
	Electrical/Electronic machinery
	Transportation machinery
	Others
Manufacturing sector total	
Non-manufacturing	Trading
	Retailing
	Finance/Insurance/Securities
	Construction/Civil engineering
	Transportation/Communications
	Other
	Non-manufacturing sector total
Total	

Note

- Since the number of corporations responding to this questionnaire is not sufficient, it may not be advisable to judge the situation only by studying the response percentage.
- The questionnaire was made before the declaration of Martial law (20 of May) and coup (22 of May). The firms reported shortly after the coup.

Report about the response to this questionnaire

Please refer to the following pages.

1. BUSINESS SENTIMENT

(1) Summary

Business sentiment in the second half of 2013 turned to deterioration due to weak consumption, compared with the first half of 2013. Business sentiment in the first half of 2014 is expected to deteriorate more, but improvement is expected in the second half of 2014 (Table 1-1).

(Table 1-1) Business Sentiment

Unit: %

	Past Surveys							Previous Survey		Survey this time			
	Result							Result	Forecast	Result	Forecast		
	9	10		11		12		13		14	13	14	
	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2
Improving	71	72	71	57	21	76	60	46	35	37	35	26	34
No change	14	15	18	18	17	11	21	28	25	41	28	24	35
Deteriorating	16	12	12	25	62	14	19	25	40	22	37	51	31
(Ref) DI	55	60	59	32	▲ 41	62	41	21	▲ 5	15	▲ 2	▲ 25	3

(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 2013 (July - December) - Actual

The percentage of firms reporting that business sentiment was “improving” decreased by 11 points to 35% from the previous term (46%), whereas those reporting “deteriorating” increased by 12 points to 37% from the previous term (25%). As a result, the Diffusion Index (DI), which is the balance between “improving” and “deteriorating”, was calculated as -2, 23 points lower than the previous term (+21) (Table 1-1).

The DI turned to “deteriorating” in many industries in the manufacturing sector, especially steel/non-ferrous metals and transportation machinery, as a result, the overall DI for the manufacturing sector decreased sharply by 23 points to -7 from the previous term (+16). For the non-manufacturing sector, it also turned to “deteriorating” in all industries excluding retail, with the overall DI in the non-manufacturing sector decreasing by 25 points to +29 from the previous term (+54) (Table 1-2).

(3) The first half of 2014 (January - June) - Forecast

The percentage of firms reporting that business performance was “improving” decreased 9 points to 26% from the previous term (35%), whereas the percentage of firms reporting “deteriorating” increased 14 points to 51% from the previous term (37%). As a result, the overall DI is expected to be lower by 23 points than the previous term (-2) to -25 (Table 1-1).

The DI turned to “deteriorating” in all industries in the manufacturing sector excluding electrical/electronic machinery. As a result, the overall DI in the manufacturing sector decreased by 15 points to -22 from the previous term (-7). For the non-manufacturing sector, it is expected to turn to “deteriorating” in all industries including construction/civil engineering, with the overall DI in the non-manufacturing sector decreasing by 32 points to -28 from the previous term (+4) (Table 1-2).

(4) Second half of 2014 (July - December) - Forecast

The percentage of firms reporting that business performance was “improving” increased by 8 points to 34% from the previous term (26%), whereas the percentage of firms reporting “deteriorating” fell by 20 points to 31% from the previous term (51%). As a result, the overall DI is expected to increase by 28 points to +3 from the previous term (-25) (Table 1-1).

In the manufacturing sector, the DI is expected to increase by 24 points to +2 compared to the previous term (-22) due to increases in all industries including transportation machinery. For the non-manufacturing sector, it is expected to increase in all industries, especially in the finance/insurance/securities sectors, and the overall DI is expected to increase by 33 points to +5 from the previous period (-28) (Table 1-2).

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

Industry		Past survey								Survey this time		
		Result						Forecast		Result	Forecast	
		10H2	11H1	11H2	12H1	12H2	13H1	13H2	14H1		14H1	14H2
Manufacturing	Food	0	29	▲ 31	18	0	▲ 37	▲ 8	▲ 25	38	0	44
	Textiles	18	38	▲ 14	14	31	33	58	33	37	▲ 28	▲ 9
	Chemicals	55	▲ 12	▲ 69	37	34	22	▲ 8	16	▲ 3	▲ 21	3
	Steel/Non-ferrous metal	68	18	▲ 87	59	35	52	▲ 31	33	▲ 14	▲ 18	0
	General machinery	47	57	▲ 17	100	0	0	0	▲ 12	▲ 23	▲ 35	▲ 11
	Electrical/electronic machinery	38	27	▲ 77	59	13	5	5	12	13	17	26
	Transportation machinery	94	▲ 7	▲ 74	74	74	9	▲ 54	▲ 2	▲ 51	▲ 66	▲ 16
	Others	42	32	▲ 39	59	26	18	▲ 17	15	13	▲ 27	▲ 13
	Manufacturing sector total	52	16	▲ 59	56	32	16	▲ 14	11	▲ 7	▲ 22	2
Non-manufacturing	Trading	83	59	▲ 46	70	61	30	▲ 7	30	9	▲ 18	9
	Retailing	100	82	30	75	64	10	28	55	23	▲ 12	23
	Finance/Insurance/Securities	82	64	7	53	73	61	33	5	▲ 7	▲ 14	33
	Construction/Civil engineering	50	88	55	89	65	20	3	▲ 20	16	▲ 40	▲ 16
	Transportation/Communication	55	32	▲ 37	80	40	13	0	24	▲ 21	▲ 47	▲ 16
	Others	53	52	▲ 4	59	31	37	22	38	13	▲ 33	16
	Non-manufacturing sector total	70	59	▲ 10	71	54	29	7	22	4	▲ 28	5
Total		59	32	▲ 41	62	41	21	▲ 5	15	▲ 2	▲ 25	3

(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 result in 2013 fell by 21 points to 52% from the previous year (73%). The percentage of firms reporting a “more than 20% increase” in their total sales fell by 17 points to 17% from the previous year (34%) (Table 2-1 and Table 2-2).

Regarding sales forecasts for 2014, the number of firms anticipating an “increase” in their total sales decreased by 3 points to 49% from the previous period (52%), and the percentage of firms anticipating a “more than 20% increase” in their total sales also decreased by 6 points, from 11% in the previous period to 17% (Table 2-1 and Table 2-3).

(Table 2-1) Change in total sales

Unit: %

	Past Surveys							Previous survey		Survey this time	
	Result							Forecast		Result	Forecast
Year	06	07	08	09	10	11	12	13	14	13	14
Sales increase	65	61	56	33	82	54	73	55	62	52	49
Sales increase more than 20%	17	14	14	6	46	13	34	17	14	17	11

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

(Table 2-2) Total Sales Result in 2013

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	5 (63)	0 (0)	1 (13)	4 (50)	1 (13)	2 (25)	1 (13)	1 (13)
	Textiles	8 (73)	2 (18)	1 (9)	5 (45)	1 (9)	2 (18)	1 (9)	0 (0)
	Chemicals	14 (41)	4 (12)	3 (9)	7 (21)	6 (18)	14 (41)	9 (26)	3 (9)
	Steel/Non-ferrous metal	14 (56)	4 (16)	7 (28)	3 (12)	3 (12)	8 (32)	6 (24)	0 (0)
	General machinery	6 (38)	2 (13)	2 (13)	2 (13)	5 (31)	5 (31)	1 (6)	2 (13)
	Electrical/electronic machinery	32 (56)	9 (16)	12 (21)	11 (19)	7 (12)	18 (32)	12 (21)	0 (0)
	Transportation machinery	19 (35)	9 (17)	2 (4)	8 (15)	10 (19)	25 (46)	10 (19)	7 (13)
	Others	15 (48)	7 (23)	3 (10)	5 (16)	6 (19)	10 (32)	4 (13)	2 (6)
	Manufacturing sector total	113 (48)	37 (16)	31 (13)	45 (19)	39 (17)	84 (36)	44 (19)	15 (6)
Non-manufacturing	Trading	32 (57)	14 (25)	5 (9)	13 (23)	7 (13)	17 (30)	10 (18)	6 (11)
	Retailing	7 (78)	2 (22)	3 (33)	2 (22)	1 (11)	1 (11)	0 (0)	0 (0)
	Finance/Insurance/Securities	12 (86)	2 (14)	4 (29)	6 (43)	0 (0)	2 (14)	1 (7)	0 (0)
	Construction/Civil engineering	13 (48)	5 (19)	6 (22)	2 (7)	8 (30)	6 (22)	2 (7)	1 (4)
	Transportation/Communication	17 (50)	3 (9)	7 (21)	7 (21)	4 (12)	13 (38)	4 (12)	7 (21)
	Others	16 (53)	6 (20)	7 (23)	3 (10)	9 (30)	5 (17)	3 (10)	1 (3)
	Non-manufacturing sector total	97 (57)	32 (19)	32 (19)	33 (19)	29 (17)	44 (26)	21 (12)	15 (9)
	Total	210 (52)	69 (17)	63 (16)	78 (19)	68 (17)	128 (32)	65 (16)	40 (10)

(Table 2-3) Sales Forecast for 2014

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	5 (63)	0 (0)	2 (25)	3 (38)	0 (0)	0 (0)	0 (0)	0 (0)
	Textiles	6 (55)	0 (0)	2 (18)	4 (36)	1 (9)	4 (36)	1 (9)	0 (0)
	Chemicals	15 (45)	3 (9)	4 (12)	8 (24)	6 (18)	12 (36)	7 (21)	0 (0)
	Steel/Non-ferrous metal	14 (54)	6 (23)	4 (15)	4 (15)	2 (8)	10 (38)	6 (23)	0 (0)
	General machinery	9 (50)	3 (17)	2 (11)	4 (22)	3 (17)	6 (33)	2 (11)	1 (6)
	Electrical/electronic machinery	40 (69)	9 (16)	13 (22)	18 (31)	6 (10)	12 (21)	8 (14)	1 (2)
	Transportation machinery	15 (29)	1 (2)	9 (18)	5 (10)	8 (16)	28 (55)	8 (16)	11 (22)
	Others	12 (40)	2 (7)	3 (10)	7 (23)	4 (13)	14 (47)	6 (20)	2 (7)
	Manufacturing sector total	116 (49)	24 (10)	39 (17)	53 (23)	33 (14)	86 (37)	38 (16)	31 (13)
Non-manufacturing	Trading	29 (50)	11 (19)	7 (12)	11 (19)	15 (26)	14 (24)	9 (16)	3 (5)
	Retailing	7 (78)	2 (22)	1 (11)	4 (44)	2 (22)	0 (0)	0 (0)	0 (0)
	Finance/Insurance/Securities	9 (60)	0 (0)	0 (0)	9 (60)	1 (7)	5 (33)	3 (20)	2 (13)
	Construction/Civil engineering	6 (25)	1 (4)	2 (8)	3 (13)	5 (21)	13 (54)	2 (8)	5 (21)
	Transportation/Communication	15 (47)	2 (6)	3 (9)	10 (31)	2 (6)	15 (47)	6 (19)	8 (25)
	Others	14 (47)	4 (13)	5 (17)	5 (17)	6 (20)	10 (33)	4 (13)	4 (13)
	Non-manufacturing sector total	80 (48)	20 (12)	18 (11)	42 (25)	31 (18)	57 (34)	24 (14)	22 (13)
	Total	196 (49)	44 (11)	57 (14)	95 (24)	64 (16)	143 (35)	62 (15)	53 (13)

3. PRE-TAX PROFIT/LOSS

Firms reporting a “profit” in their 2013 pre-tax profit/loss accounts were 83%. Firms reporting an “increase” in their net profit (including the case that any loss will diminish or vanish) accounted for 45%, whereas those reporting a “decrease” in their net profit accounted for 40 % (Table 3-1).

The percentage of firms anticipating a “profit” in their 2014 pre-tax profit/loss was 78%. Firms anticipating an “increase” in their pre-tax profit were 29%, whereas those anticipating a “decrease” in their pre-tax profit were 51% (Table 3-2).

(Table 3-1) 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	6 (75)	1 (13)	1 (13)	8	3 (38)	1 (13)	4 (50)
	Textiles	10 (100)	0 (0)	0 (0)	10	4 (40)	1 (10)	5 (50)
	Chemicals	27 (77)	2 (6)	6 (17)	35	17 (49)	5 (14)	13 (37)
	Steel/Non-ferrous metal	18 (69)	0 (0)	8 (31)	26	15 (58)	4 (15)	7 (27)
	General machinery	12 (75)	1 (6)	3 (19)	16	5 (31)	3 (19)	8 (50)
	Electrical/electronic machinery	44 (76)	3 (5)	11 (19)	58	29 (50)	7 (12)	22 (38)
	Transportation machinery	47 (90)	1 (2)	4 (8)	52	13 (25)	8 (15)	31 (60)
	Others	26 (90)	0 (0)	3 (10)	29	17 (59)	1 (3)	11 (38)
Manufacturing sector total		190 (81)	8 (3)	36 (15)	234	103 (44)	30 (13)	101 (43)
Non-manufacturing	Trading	43 (77)	3 (5)	10 (18)	56	23 (41)	11 (20)	22 (39)
	Retailing	7 (78)	1 (11)	1 (11)	9	4 (44)	1 (11)	4 (44)
	Finance/Insurance/Securities	15 (100)	0 (0)	0 (0)	15	11 (73)	1 (7)	3 (20)
	Construction/Civil engineering	22 (88)	0 (0)	3 (12)	25	12 (48)	4 (16)	9 (36)
	Transportation/Communication	28 (88)	0 (0)	4 (13)	32	8 (25)	9 (28)	15 (47)
	Others	26 (90)	0 (0)	3 (10)	29	17 (59)	8 (28)	4 (14)
	Non-manufacturing sector total	141 (85)	4 (2)	21 (13)	166	75 (45)	34 (20)	57 (34)
Total		331 (83)	12 (3)	57 (14)	400	178 (45)	64 (16)	158 (40)

(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 2014 (from the previous year)

Unit: No. of firms (%)

Industry		Profit	Balance	Loss	Total	Profit increase	No change	Profit decrease
Manufacturing	Food	7 (78)	1 (11)	1 (11)	9	4 (44)	3 (33)	2 (22)
	Textiles	8 (80)	1 (10)	1 (10)	10	4 (40)	1 (10)	5 (50)
	Chemicals	26 (72)	5 (14)	5 (14)	36	11 (31)	8 (22)	17 (47)
	Steel/Non-ferrous metal	20 (77)	0 (0)	6 (23)	26	10 (38)	0 (0)	16 (62)
	General machinery	13 (76)	1 (6)	3 (18)	17	6 (35)	3 (18)	8 (47)
	Electrical/electronic machinery	51 (86)	1 (2)	7 (12)	59	20 (34)	15 (25)	24 (41)
	Transportation machinery	38 (73)	6 (12)	8 (15)	52	7 (13)	10 (19)	35 (67)
	Others	28 (97)	0 (0)	1 (3)	29	7 (24)	5 (17)	17 (59)
Manufacturing sector total		191 (80)	15 (6)	32 (13)	238	69 (29)	45 (19)	124 (52)
Non-manufacturing	Trading	41 (75)	5 (9)	9 (16)	55	19 (35)	13 (24)	23 (42)
	Retailing	8 (80)	2 (20)	0 (0)	10	3 (30)	4 (40)	3 (30)
	Finance/Insurance/Securities	15 (100)	0 (0)	0 (0)	15	4 (27)	3 (20)	8 (53)
	Construction/Civil engineering	17 (68)	3 (12)	5 (20)	25	5 (20)	5 (20)	15 (60)
	Transportation/Communication	23 (74)	5 (16)	3 (10)	31	6 (19)	7 (23)	18 (58)
	Others	23 (72)	3 (9)	6 (19)	32	10 (31)	6 (19)	16 (50)
	Non-manufacturing sector total	127 (76)	18 (11)	23 (14)	168	47 (28)	38 (23)	83 (49)
Total		318 (78)	33 (8)	55 (14)	406	116 (29)	83 (20)	207 (51)

(Note) Same as Table 3-1.

4. CAPITAL INVESTMENT (MANUFACTURING SECTOR)

The amount of planned capital investment (in the manufacturing sector) in 2014 is expected to decrease by 11.4% from 2013 (The total number of responding firms was 239). The percentage of the firms which anticipate “Increase” in their capital investments in 2014 was 36%. 21 % of the firms anticipate “No change” while 39% of the firms anticipate “Decrease” (Table 4-1).

The predominant reason for capital investment was “new” and “replacement” in both 2013 and 2014. (Table 4-2 and Table 4-3).

(Table 4-1) Planned capital investment for 2013 and 2014 (manufacturing sector)

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

Industry	2013	2014		No. of firms				
	Amount	Amount	Increase %	Increase	No change	Decrease	Undecided	Total
Food	2,102	2,405	14.4	2 (29)	2 (29)	3 (43)	0 (0)	7
Textiles	1,318	2,693	104.3	2 (18)	3 (27)	6 (55)	0 (0)	11
Chemicals	10,818	8,323	▲ 23.1	14 (39)	9 (25)	11 (31)	2 (6)	36
Steel/Non-ferrous metal	5,923	4,972	▲ 16.1	7 (28)	4 (16)	14 (56)	0 (0)	25
General machinery	1,091	315	▲ 71.2	3 (19)	7 (44)	4 (25)	2 (13)	16
Electrical/Electronic machinery	23,803	18,823	▲ 20.9	24 (40)	12 (20)	22 (37)	2 (3)	60
Transportation machinery	46,139	43,372	▲ 6.0	23 (42)	7 (13)	23 (42)	2 (4)	55
Others	3,162	2,713	▲ 14.2	12 (41)	7 (24)	10 (34)	0 (0)	29
Manufacturing sector	94,355	83,616	▲ 11.4	87 (36)	51 (21)	93 (39)	8 (3)	239

(Note) The figures in the table above show just the totals of the data from firms responding both for 2013 and 2014. The capital-investment amount in the table above does not equal that of all the Japanese corporations as a whole. In addition, new firms are not included.

(Table 4-2) Details of actual capital investment in 2013 (check all that apply)

Unit: No. of firms and (%)

Industry	New	Expansion	Replacement	Streamlining	Flood disaster prevention	Others	Total	Response
Food	5 (71)	2 (29)	5 (71)	2 (29)	0 (0)	0 (0)	14	7
Textiles	3 (27)	4 (36)	9 (82)	1 (9)	1 (9)	0 (0)	18	11
Chemicals	10 (31)	9 (28)	16 (50)	9 (28)	0 (0)	3 (9)	47	32
Steel/Non-ferrous metal	16 (62)	9 (35)	10 (38)	4 (15)	2 (8)	2 (8)	43	26
General machinery	3 (25)	3 (25)	5 (42)	1 (8)	1 (8)	2 (17)	15	12
Electrical/Electronic machinery	31 (57)	16 (30)	25 (46)	17 (31)	5 (9)	2 (4)	96	54
Transportation machinery	31 (61)	22 (43)	25 (49)	17 (33)	2 (4)	4 (8)	101	51
Others	9 (35)	9 (35)	11 (42)	7 (27)	1 (4)	1 (4)	38	26
Manufacturing sector	108 (49)	74 (34)	106 (48)	58 (26)	12 (5)	14 (6)	372	219

(Table 4-3) 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	4 (50)	0 (0)	6 (75)	4 (50)	0 (0)	0 (0)	14	8
Textiles	6 (55)	2 (18)	10 (91)	1 (9)	0 (0)	0 (0)	19	11
Chemicals	11 (33)	12 (36)	18 (55)	7 (21)	2 (6)	2 (6)	52	33
Steel/Non-ferrous metal	12 (48)	7 (28)	12 (48)	5 (20)	0 (0)	1 (4)	37	25
General machinery	4 (29)	3 (21)	5 (36)	5 (36)	0 (0)	2 (14)	19	14
Electrical/Electronic machinery	33 (59)	20 (36)	26 (46)	21 (38)	2 (4)	3 (5)	105	56
Transportation machinery	32 (60)	19 (36)	23 (43)	23 (43)	1 (2)	7 (13)	105	53
Others	9 (32)	10 (36)	13 (46)	10 (36)	0 (0)	1 (4)	43	28
Manufacturing sector	111 (49)	73 (32)	113 (50)	76 (33)	5 (2)	16 (7)	394	228

5. EXPORT TREND

The percentage of firms reporting an “increase” in their exports accounted for 39% in the first half of 2014 and 43% in the second year of 2014 and exceeded the “decrease” in both terms. The percentage of firms reporting which anticipate “increase” in their exports accounted for 46% in the full year of 2014 and exceeded the “decrease” (15%) by 31 points.

(Table 5-1, Table 5-2, Table 5-3).

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

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)	4 (57)	1 (14)	1 (14)	0 (0)	0 (0)	7
Textiles	4 (40)	2 (20)	0 (0)	2 (20)	1 (10)	5 (50)	4 (40)	1 (10)	0 (0)	10
Chemicals	17 (50)	3 (9)	4 (12)	10 (29)	14 (41)	3 (9)	0 (0)	2 (6)	1 (3)	34
Steel/Non-ferrous metal	8 (32)	3 (12)	3 (12)	2 (8)	15 (60)	2 (8)	0 (0)	1 (4)	1 (4)	25
General machinery	4 (25)	0 (0)	2 (13)	2 (13)	11 (69)	1 (6)	1 (6)	0 (0)	0 (0)	16
Electrical/Electronic machinery	33 (55)	7 (12)	10 (17)	16 (27)	19 (32)	8 (13)	2 (3)	5 (8)	1 (2)	60
Transportation machinery	14 (29)	2 (4)	3 (6)	9 (18)	24 (49)	11 (22)	5 (10)	3 (6)	3 (6)	49
Others	9 (39)	0 (0)	3 (13)	6 (26)	9 (39)	5 (22)	2 (9)	2 (9)	1 (4)	23
Manufacturing sector total	91 (41)	17 (8)	25 (11)	49 (22)	97 (43)	36 (16)	15 (7)	14 (6)	7 (3)	224
Trading	17 (35)	4 (8)	5 (10)	8 (16)	26 (53)	6 (12)	3 (6)	2 (4)	1 (2)	49
Retailing	2 (100)	1 (50)	0 (0)	1 (50)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	2
Construction	0 (0)	0 (0)	0 (0)	0 (0)	4 (100)	0 (0)	0 (0)	0 (0)	0 (0)	4
Others	2 (25)	1 (13)	1 (13)	0 (0)	3 (38)	3 (38)	0 (0)	2 (25)	1 (13)	8
Non-manufacturing sector	21 (33)	6 (10)	6 (10)	9 (14)	33 (52)	9 (14)	3 (5)	4 (6)	2 (3)	63
Total	112 (39)	23 (8)	31 (11)	58 (20)	130 (45)	45 (16)	18 (6)	18 (6)	9 (3)	287

Unit: No. of firms and (%)

(Table 5-2) Exports in 2014 (second year)

Industry	Increase				No change	Decrease				Total
	More than 20%	10-20%	Less than 10%			Less than 10%	10-20%	More than 20%		
Food	4 (57)	0 (0)	1 (14)	3 (43)	3 (43)	0 (0)	0 (0)	0 (0)	0 (0)	7
Textiles	5 (50)	0 (0)	1 (10)	4 (40)	2 (20)	3 (30)	3 (30)	0 (0)	0 (0)	10
Chemicals	17 (50)	2 (6)	3 (9)	12 (35)	14 (41)	3 (9)	0 (0)	1 (3)	2 (6)	34
Steel/Non-ferrous metal	7 (29)	3 (13)	3 (13)	1 (4)	15 (63)	2 (8)	0 (0)	1 (4)	1 (4)	24
General machinery	3 (19)	0 (0)	1 (6)	2 (13)	11 (69)	2 (13)	1 (6)	1 (6)	0 (0)	16
Electrical/Electronic machinery	36 (61)	8 (14)	10 (17)	18 (31)	18 (31)	5 (8)	2 (3)	1 (2)	2 (3)	59
Transportation machinery	15 (31)	0 (0)	5 (10)	10 (21)	21 (44)	12 (25)	5 (10)	4 (8)	3 (6)	48
Others	10 (43)	0 (0)	3 (13)	7 (30)	7 (30)	6 (26)	1 (4)	3 (13)	2 (9)	23
Manufacturing sector total	97 (44)	13 (6)	27 (12)	57 (26)	91 (41)	33 (15)	12 (5)	11 (5)	10 (5)	221
Trading	21 (44)	5 (10)	5 (10)	11 (23)	24 (50)	3 (6)	2 (4)	0 (0)	1 (2)	48
Retailing	2 (100)	1 (50)	0 (0)	1 (50)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	2
Construction	0 (0)	0 (0)	0 (0)	0 (0)	4 (100)	0 (0)	0 (0)	0 (0)	0 (0)	4
Others	1 (14)	0 (0)	0 (0)	1 (14)	4 (57)	2 (29)	0 (0)	1 (14)	1 (14)	7
Non-manufacturing sector	24 (39)	6 (10)	5 (8)	13 (21)	32 (52)	5 (8)	2 (3)	1 (2)	2 (3)	61
Total	121 (43)	19 (7)	32 (11)	70 (25)	123 (44)	38 (13)	14 (5)	12 (4)	12 (4)	282

Unit: No. of firms and (%)

(Table 5-3) Exports in 2014 (full year)

Industry	Increase				No change	Decrease				Total
	More than 20%	10-20%	Less than 10%			Less than 10%	10-20%	More than 20%		
Food	4 (57)	0 (0)	1 (14)	3 (43)	3 (43)	0 (0)	0 (0)	0 (0)	0 (0)	7
Textiles	5 (50)	0 (0)	3 (30)	2 (20)	1 (10)	4 (40)	4 (40)	0 (0)	0 (0)	10
Chemicals	20 (59)	4 (12)	4 (12)	12 (35)	11 (32)	3 (9)	0 (0)	2 (6)	1 (3)	34
Steel/Non-ferrous metal	7 (29)	3 (13)	2 (8)	2 (8)	15 (63)	2 (8)	0 (0)	1 (4)	1 (4)	24
General machinery	4 (25)	0 (0)	1 (6)	3 (19)	11 (69)	1 (6)	1 (6)	0 (0)	0 (0)	16
Electrical/Electronic machinery	35 (60)	9 (16)	10 (17)	16 (28)	17 (29)	6 (10)	2 (3)	3 (5)	1 (2)	58
Transportation machinery	19 (39)	1 (2)	5 (10)	13 (27)	18 (37)	12 (24)	3 (6)	5 (10)	4 (8)	49
Others	11 (46)	0 (0)	4 (17)	7 (29)	6 (25)	7 (29)	1 (4)	5 (21)	1 (4)	24
Manufacturing sector total	105 (47)	17 (8)	30 (14)	58 (26)	82 (37)	35 (16)	11 (5)	16 (7)	8 (4)	222
Trading	22 (47)	4 (9)	8 (17)	10 (21)	21 (45)	4 (9)	2 (4)	1 (2)	1 (2)	47
Retailing	2 (100)	1 (50)	0 (0)	1 (50)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	2
Construction	0 (0)	0 (0)	0 (0)	0 (0)	4 (100)	0 (0)	0 (0)	0 (0)	0 (0)	4
Others	2 (29)	0 (0)	2 (29)	0 (0)	3 (43)	2 (29)	0 (0)	1 (14)	1 (14)	7
Non-manufacturing sector	26 (43)	5 (8)	10 (17)	11 (18)	28 (47)	6 (10)	2 (3)	2 (3)	2 (3)	60
Total	131 (46)	22 (8)	40 (14)	69 (24)	110 (39)	41 (15)	13 (5)	18 (6)	10 (4)	282

Unit: No. of firms and (%)

		Unit: No. of firms and (%)																						
Industry	Indonesia	Vietnam	India	Myanmar	Japan	Cambodia	Malaysia	China	Laos	Philippines	USA	Europe	Latin America	Middle East	Africa	Singapore	Oceania	Bangladesh	Pakistan	Sri Lanka	Others	Total	No. of firms	
Food	5 (63)	3 (38)	1 (13)	3 (38)	3 (38)	2 (25)	3 (38)	2 (25)	1 (13)	0 (0)	3 (38)	2 (25)	0 (0)	0 (0)	0 (0)	1 (13)	1 (13)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	30	11
Textile	5 (45)	5 (45)	2 (18)	4 (36)	3 (27)	2 (18)	2 (18)	2 (18)	0 (0)	2 (18)	2 (18)	1 (9)	0 (0)	2 (18)	0 (0)	0 (0)	0 (0)	4 (36)	0 (0)	0 (0)	0 (0)	0 (0)	36	11
Chemical	9 (26)	17 (50)	17 (50)	8 (24)	5 (15)	6 (18)	7 (21)	6 (18)	6 (18)	4 (12)	4 (12)	6 (18)	4 (12)	2 (6)	1 (3)	3 (9)	4 (12)	1 (3)	1 (3)	0 (0)	0 (0)	111	34	
Steel Non ferrous metal	14 (61)	11 (48)	9 (39)	6 (26)	0 (0)	1 (4)	2 (9)	2 (9)	2 (9)	3 (13)	2 (9)	0 (0)	1 (4)	3 (13)	2 (9)	1 (4)	2 (9)	1 (4)	0 (0)	0 (0)	0 (0)	62	23	
General machinery	11 (73)	8 (53)	3 (20)	4 (27)	3 (20)	3 (20)	4 (27)	1 (7)	2 (13)	2 (13)	1 (7)	2 (13)	1 (7)	0 (0)	1 (7)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (7)	47	15	
Electric or electronic machinery	27 (47)	16 (28)	12 (21)	16 (28)	19 (33)	9 (16)	10 (17)	13 (22)	8 (14)	9 (16)	12 (21)	11 (19)	6 (10)	6 (10)	5 (9)	4 (7)	0 (0)	2 (3)	2 (3)	0 (0)	2 (3)	189	58	
Transportation machinery	29 (62)	13 (28)	17 (36)	10 (21)	10 (21)	5 (11)	6 (13)	3 (6)	6 (13)	7 (15)	6 (13)	5 (11)	5 (11)	3 (6)	2 (4)	1 (2)	1 (2)	0 (0)	1 (2)	0 (0)	3 (6)	133	47	
Others	11 (44)	8 (32)	11 (44)	7 (28)	2 (8)	3 (12)	1 (4)	3 (12)	0 (0)	0 (0)	2 (8)	2 (8)	2 (8)	1 (4)	2 (8)	1 (4)	1 (4)	0 (0)	0 (0)	0 (0)	1 (4)	58	25	
Manufacturing sector total	111 (50)	81 (37)	72 (33)	58 (26)	45 (20)	31 (14)	35 (16)	32 (14)	25 (11)	27 (12)	32 (14)	29 (13)	19 (9)	17 (8)	13 (6)	11 (5)	9 (4)	8 (4)	4 (2)	0 (0)	7 (3)	666	221	
Trading	29 (60)	22 (46)	14 (29)	17 (35)	8 (17)	14 (29)	10 (21)	5 (10)	10 (21)	5 (10)	1 (2)	0 (0)	1 (2)	3 (6)	1 (2)	0 (0)	1 (2)	2 (4)	3 (6)	1 (2)	1 (2)	126	48	
Wholesale	1 (33)	0 (0)	0 (0)	2 (67)	0 (0)	1 (33)	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 (33)	4		
Construction and engineering	1 (33)	1 (33)	0 (0)	1 (33)	1 (33)	1 (33)	1 (33)	0 (0)	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)	6	3	
Others	4 (67)	3 (50)	2 (33)	2 (33)	1 (17)	2 (33)	1 (17)	1 (17)	1 (17)	1 (17)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (17)	16	6	
Non manufacturing sector total	35 (58)	26 (43)	16 (27)	22 (37)	10 (17)	18 (30)	12 (20)	6 (10)	12 (20)	6 (10)	1 (2)	0 (0)	1 (2)	3 (5)	1 (2)	1 (2)	1 (2)	2 (3)	3 (5)	1 (2)	3 (5)	152	60	
Total	146 (52)	107 (38)	88 (31)	80 (28)	55 (20)	49 (17)	47 (17)	38 (14)	37 (13)	33 (12)	33 (12)	29 (10)	20 (7)	20 (7)	14 (5)	12 (4)	10 (4)	10 (4)	7 (2)	1 (1)	10 (4)	818	281	
This time	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	-	-		
Previous rank	1	2	4	3	5	6	8	12	7	9	14	11	13											

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 (36.5%) followed by “Not less than 31.0 but less than 31.5” (19.5%). The median rate was 32%. (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	1	0	1	0	0	0	0	1 (0.5)
Not less than 30.0 but less than 30.5	0	2	3	0	1	1	2	0	9	1	0	1	2	11 (5.5)
Not less than 30.5 but less than 31.0	0	0	0	0	0	2	1	1	4	0	0	0	0	4 (2.0)
Not less than 31.0 but less than 31.5	2	2	3	3	1	9	9	4	33	6	0	0	6	39 (19.5)
Not less than 31.5 but less than 32.0	0	1	2	0	0	7	6	2	18	5	0	0	5	23 (11.5)
Not less than 32.0 but less than 32.5	1	4	12	8	3	22	6	5	61	11	1	0	12	73 (36.5)
Not less than 32.5 but less than 33.0	2	1	6	5	1	3	1	3	22	2	0	0	2	24 (12.0)
Not less than 33.0 but less than 33.5	1	0	6	1	2	3	3	2	18	2	0	0	2	20 (10.0)
Not less than 33.5 but less than 34.0	0	0	0	0	0	0	0	0	0	1	0	0	1	1 (0.5)
Not less than 34.0 but less than 34.5	0	0	0	0	0	0	1	0	1	0	0	0	0	1 (0.5)
Not less than 34.5 but less than 35.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0 (0.0)
Not less than 35.0 but less than 35.5	0	0	0	0	2	0	0	0	2	0	0	0	0	2 (1.0)
Not less than 35.5 but less than 36.0	0	0	0	0	0	0	0	0	0	1	0	0	1	1 (0.5)
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	6	10	32	17	10	47	30	17	169	29	1	1	31	200

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.

(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 sector total	
Average	30.47	31.09	31.24	29.69	31.00	30.71	30.82	29.79	30.56	30.63	31.70	31.40	30.76	30.60
Median	30.50	30.95	31.00	31.15	30.50	31.00	31.00	31.00	31.00	31.00	32.00	31.00	31.00	31.00
Mode	30.00	31.00	31.00	31.00	30.00	31.00	31.00	31.00	31.00	31.00	#N/A	31.00	31.00	31.00

(Note) The median indicates the value located at the center of distribution excluding deviation due to the number of respondents or the lowest/highest value as much as possible. The 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 3.1 but less than 3.2” (37.7%), followed by “Not less than 3.2 but less than 3.3” (36.1%). The median rate was 3.1. (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	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	0	0	0	0	0	0	0	0	0	1	1	1 (0.4)
Not less than 2.6 but less than 2.7	0	0	0	0	0	0	0	0	0	0	0	0	0	0 (0.0)
Not less than 2.7 but less than 2.8	0	0	2	0	0	0	0	0	2	1	0	0	1	3 (1.2)
Not less than 2.8 but less than 2.9	0	0	0	0	1	0	0	0	1	0	0	0	0	1 (0.4)
Not less than 2.9 but less than 3.0	0	0	0	0	0	0	1	0	1	0	0	0	0	1 (0.4)
Not less than 3.0 but less than 3.1	1	1	3	0	4	6	11	7	33	7	0	1	8	41 (16.3)
Not less than 3.1 but less than 3.2	1	4	11	11	2	22	16	12	79	13	1	2	16	95 (37.7)
Not less than 3.2 but less than 3.3	4	3	12	10	6	21	15	2	73	16	1	1	18	91 (36.1)
Not less than 3.3 but less than 3.4	0	1	3	0	2	4	2	0	12	4	0	1	5	17 (6.7)
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	0	0	1	0	0	1	1 (0.4)
No. of firms	6	9	31	21	15	53	45	21	201	43	2	6	51	252

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.

(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	3.19	3.15	3.12	3.13	3.02	3.11	3.10	3.10	3.11	3.07	3.07	3.06	3.07	3.10
Median	3.20	3.15	3.10	3.10	3.00	3.10	3.10	3.10	3.10	3.10	3.09	3.00	3.08	3.10
Mode	3.20	3.10	3.00	3.10	3.00	3.20	3.00	3.00	3.20	3.00	3.00	3.00	3.00	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 2013 (simple average of the respondents) was 63.3% for “ASEAN”, including 55.6% for “Thailand” (Table 8-1).

Regarding the ratio of planned procurement sources in 2014, the percentage for “Thailand” and “China” increased slightly from 2013, and the percentage for “ASEAN (other than Thailand)” and “Japan” is expected to decrease slightly. (Table 8-2).

(Table 8-1) Suppliers of parts and materials in 2013

Unit: %

Industry		ASEAN			Japan	China	Others	Total	No. of firms
			Thailand	ASEAN (other than Thailand)					
Manufacturing	Food	92.1	90.1	2.0	4.7	2.8	0.4	100.0	8
	Textiles	77.4	72.2	5.2	5.1	7.0	10.6	100.0	10
	Chemicals	59.3	45.5	13.8	25.6	4.3	10.7	100.0	33
	Steel/Non-ferrous metal	28.5	24.3	4.3	55.4	3.7	12.4	100.0	26
	General machinery	52.1	46.0	6.1	41.0	5.1	1.8	100.0	15
	Electrical/electronic machinery	49.4	42.7	6.7	34.4	11.6	4.6	100.0	55
	Transportation machinery	60.9	55.8	5.1	35.0	2.0	2.1	100.0	50
	Others	58.2	54.0	4.3	33.5	0.2	8.1	100.0	25
Manufacturing average		59.8	53.8	5.9	29.3	4.6	6.3	100.0	222
Non-manufacturing	Trading	55.1	41.2	13.9	33.7	6.9	4.3	100.0	50
	Retailing	83.8	80.0	3.8	8.8	3.8	3.8	100.0	4
	Construction	63.3	46.7	16.7	36.7	0.0	0.0	100.0	3
	Others	65.6	61.6	4.0	22.0	10.0	2.4	100.0	5
Non-manufacturing average		66.9	57.4	9.6	25.3	5.2	2.6	100.0	62
Total		63.3	55.6	7.8	27.3	4.9	4.5	100.0	284

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

(Table 9-2) Suppliers of parts and materials in 2014

Unit: %

Industry		ASEAN			Japan	China	Others	Total	No. of firms
			Thailand	ASEAN (other than Thailand)					
Manufacturing	Food	91.6	89.6	2.0	5.1	2.8	0.5	100.0	8
	Textiles	77.2	72.0	5.2	5.1	8.0	9.8	100.0	10
	Chemicals	60.2	46.2	13.9	23.6	5.6	10.6	100.0	34
	Steel/Non-ferrous metal	31.6	27.2	4.3	53.8	3.7	10.9	100.0	26
	General machinery	53.7	47.2	6.5	38.7	6.5	1.1	100.0	15
	Electrical/electronic machinery	54.1	47.5	6.6	30.7	11.7	3.5	100.0	56
	Transportation machinery	63.7	58.1	5.7	31.8	2.2	2.3	100.0	49
	Others	61.0	55.8	5.2	31.1	0.2	7.7	100.0	25
Manufacturing average		61.6	55.4	6.2	27.5	5.1	5.8	100.0	223
Non-manufacturing	Trading	55.2	41.0	14.3	35.5	6.6	2.6	100.0	49
	Retailing	83.8	80.0	3.8	8.8	3.8	3.8	100.0	4
	Construction	60.0	50.0	10.0	26.7	13.3	0.0	100.0	3
	Others	67.6	63.6	4.0	18.0	12.0	2.4	100.0	5
Non-manufacturing average		66.6	58.6	8.0	22.2	8.9	2.2	100.0	61
Total		64.1	57.0	7.1	24.9	7.0	4.0	100.0	284

(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” (69%), followed by “Increases in total labor cost” (48%) and “Lack of human resources at manager-level” (48%).

By industry, other major response in the manufacturing sector was “Hike in material prices” (32%), and in the non-manufacturing sector “Job hopping by employees” (33%). (Table9).

(Table 9) 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	Retailing	Finance/ Insurance/ Securities	Construction/ Civil engineering	Transportation/ Communications	Others	Non-manufacturing sector total			
1	1	Severe competition by competitors	3 (38)	6 (55)	30 (81)	24 (86)	11 (65)	41 (68)	38 (70)	12 (41)	165 (68)	36 (64)	6 (67)	14 (78)	23 (92)	23 (74)	17 (55)	119 (70)	284 (69)	
2	2	Increase of total labor cost	4 (50)	1 (9)	15 (41)	15 (54)	6 (35)	30 (50)	44 (81)	12 (41)	127 (52)	26 (46)	1 (11)	2 (11)	9 (36)	20 (65)	12 (39)	70 (41)	197 (48)	
3	2	Lack of human resources at manager-level	4 (50)	5 (45)	16 (43)	13 (46)	8 (47)	34 (57)	29 (54)	15 (52)	124 (51)	18 (32)	5 (56)	6 (33)	14 (56)	19 (61)	11 (35)	73 (43)	197 (48)	
5	4	Job hopping of employee	1 (13)	3 (27)	4 (11)	7 (25)	3 (18)	15 (25)	14 (26)	8 (28)	55 (23)	20 (36)	3 (33)	7 (39)	5 (20)	11 (35)	10 (32)	56 (33)	111 (27)	
7	5	Hike in material prices	3 (38)	4 (36)	16 (43)	8 (29)	3 (18)	19 (32)	16 (30)	10 (34)	79 (32)	8 (14)	2 (22)	0 (0)	3 (12)	3 (10)	0 (0)	16 (9)	95 (23)	
6	6	Lack of human resources for workers/ staff-levels	4 (50)	4 (36)	8 (22)	4 (14)	1 (6)	12 (20)	3 (6)	3 (10)	39 (16)	9 (16)	7 (78)	6 (33)	11 (44)	8 (26)	8 (26)	49 (29)	88 (21)	
9	6	Quality of management	1 (13)	3 (27)	6 (16)	6 (21)	7 (41)	9 (15)	15 (28)	7 (24)	54 (22)	7 (13)	2 (22)	1 (6)	7 (28)	13 (42)	4 (13)	34 (20)	88 (21)	
4	8	Foreign exchange fluctuation	2 (25)	3 (27)	8 (22)	6 (21)	5 (29)	18 (30)	12 (22)	8 (28)	62 (25)	19 (34)	2 (22)	0 (0)	0 (0)	0 (0)	0 (0)	21 (12)	83 (20)	
8	9	Changes in products/ users' needs	4 (50)	3 (27)	6 (16)	7 (25)	4 (24)	13 (22)	8 (15)	5 (17)	50 (20)	13 (23)	0 (0)	1 (6)	2 (8)	6 (19)	6 (19)	28 (16)	78 (19)	
10	10	Excessive employment	0 (0)	2 (18)	5 (14)	2 (7)	1 (6)	1 (2)	11 (20)	2 (7)	24 (10)	0 (0)	0 (0)	0 (0)	2 (8)	1 (3)	2 (6)	5 (3)	29 (7)	
13	11	Difficulty in collecting money from customers	0 (0)	1 (9)	2 (5)	2 (7)	0 (0)	1 (2)	3 (6)	1 (3)	10 (4)	3 (5)	0 (0)	5 (28)	0 (0)	5 (16)	4 (13)	17 (10)	27 (7)	
14	12	Excessive capital investment	0 (0)	1 (9)	1 (3)	2 (7)	1 (6)	2 (3)	3 (6)	1 (3)	11 (5)	1 (2)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (1)	12 (3)	
12	13	Difficulty in obtaining financial support	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (2)	2 (4)	0 (0)	3 (1)	2 (4)	0 (0)	0 (0)	0 (0)	1 (3)	1 (3)	4 (2)	7 (2)	
11	14	Flood disaster prevention	0 (0)	0 (0)	2 (5)	0 (0)	1 (6)	2 (3)	0 (0)	0 (0)	5 (2)	1 (2)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (1)	6 (1)	
15	15	Infringement of intellectual property rights	0 (0)	1 (9)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (0)	0 (0)	1 (11)	0 (0)	0 (0)	0 (0)	0 (0)	1 (1)	2 (0)	
—	—	Others	1 (13)	0 (0)	4 (11)	2 (7)	1 (6)	2 (3)	5 (9)	0 (0)	15 (6)	5 (9)	1 (11)	0 (0)	1 (4)	1 (3)	1 (3)	9 (5)	24 (6)	
Total			27	37	123	98	52	200	203	84	824	168	30	42	77	111	76	504	1,328	
No. of firms			8	11	37	28	17	60	54	29	244	56	9	18	25	31	31	170	414 (100)	

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” (93%), followed by “Development of infrastructure in the Bangkok metropolitan area” (40%), “Customs-related systems and their implementation” (39%), and “Implementation of flood prevention measures” (27%).

By industry, other major response in the manufacturing sector was “Improvement of education/ human resource development” (27%), and in the non-manufacturing sector “Relaxation of the Foreign Business Act” (34%) (Table 10).

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

Unit: No. of firms and (%)

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	8 (100)	10 (91)	33 (89)	23 (82)	15 (88)	57 (95)	52 (96)	29 (97)	227 (93)	51 (91)	9 (100)	15 (83)	25 (100)	28 (93)	29 (91)	157 (92)	384 (93)
3	2	Development of infrastructure in the Bangkok metropolitan area	3 (38)	4 (36)	15 (41)	10 (36)	7 (41)	19 (32)	27 (50)	9 (30)	94 (38)	24 (43)	4 (44)	8 (44)	8 (32)	13 (43)	13 (41)	70 (41)	164 (40)
2	3	Customs-related systems and their implementation	0 (0)	2 (18)	16 (43)	8 (29)	11 (65)	36 (60)	29 (54)	9 (30)	111 (45)	32 (57)	2 (22)	2 (11)	3 (12)	7 (23)	6 (19)	52 (31)	163 (39)
4	4	Implementation of flood prevention measures	4 (50)	4 (36)	6 (16)	13 (46)	4 (24)	26 (43)	14 (26)	5 (17)	76 (31)	16 (29)	1 (11)	5 (28)	2 (8)	7 (23)	4 (13)	35 (21)	111 (27)
5	5	Improvement of education/human resource development	2 (25)	4 (36)	13 (35)	8 (29)	3 (18)	15 (25)	9 (17)	12 (40)	66 (27)	7 (13)	3 (33)	3 (17)	4 (16)	12 (40)	10 (31)	39 (23)	105 (25)
6	6	Relaxation of the Foreign Business Act	3 (38)	0 (0)	5 (14)	4 (14)	5 (29)	10 (17)	11 (20)	5 (17)	43 (18)	22 (39)	1 (11)	6 (33)	8 (32)	10 (33)	10 (31)	57 (34)	100 (24)
9	7	Implementation of tax-related systems	3 (38)	3 (27)	5 (14)	3 (11)	7 (41)	11 (18)	13 (24)	4 (13)	49 (20)	6 (11)	2 (22)	3 (17)	2 (8)	5 (17)	8 (25)	26 (15)	75 (18)
12	8	Broad-based infrastructure development linking Thailand with neighboring countries	1 (13)	3 (27)	9 (24)	1 (4)	4 (24)	11 (18)	5 (9)	4 (13)	38 (16)	14 (25)	2 (22)	2 (11)	3 (12)	7 (23)	2 (6)	30 (18)	68 (16)
7	8	Stability in foreign exchange rates	1 (13)	3 (27)	10 (27)	7 (25)	6 (35)	12 (20)	6 (11)	6 (20)	51 (21)	13 (23)	1 (11)	0 (0)	0 (0)	1 (3)	2 (6)	17 (10)	68 (16)
10	8	Promotion of economic ties e.g. FTA, EPA etc.	2 (25)	3 (27)	8 (22)	4 (14)	5 (29)	10 (17)	9 (17)	4 (13)	45 (18)	15 (27)	0 (0)	1 (6)	1 (4)	4 (13)	2 (6)	23 (14)	68 (16)
8	11	Work permit/visa-related issues	0 (0)	1 (9)	4 (11)	2 (7)	3 (18)	4 (7)	9 (17)	4 (13)	27 (11)	11 (20)	0 (0)	4 (22)	7 (28)	5 (17)	13 (41)	40 (24)	67 (16)
13	12	Development of the communication infrastructure	0 (0)	0 (0)	7 (19)	3 (11)	2 (12)	9 (15)	8 (15)	8 (27)	37 (15)	9 (16)	2 (22)	2 (11)	5 (20)	4 (13)	7 (22)	29 (17)	66 (16)
11	13	Prevention of labor disputes	0 (0)	2 (18)	6 (16)	6 (21)	0 (0)	9 (15)	21 (39)	3 (10)	47 (19)	0 (0)	1 (11)	0 (0)	0 (0)	10 (33)	2 (6)	13 (8)	60 (14)
14	14	Promotion of employment of foreign labour	2 (25)	1 (9)	2 (5)	2 (7)	0 (0)	7 (12)	6 (11)	3 (10)	23 (9)	3 (5)	1 (11)	0 (0)	6 (24)	3 (10)	4 (13)	17 (10)	40 (10)
16	15	Promotion of measures against the low birth rate and aging population	0 (0)	0 (0)	4 (11)	1 (4)	0 (0)	5 (8)	2 (4)	1 (3)	13 (5)	2 (4)	1 (11)	1 (6)	1 (4)	0 (0)	0 (0)	5 (3)	18 (4)
15	16	Promotion of regional operating headquarters function (e.g. ROH, IPC)	1 (13)	0 (0)	1 (3)	0 (0)	1 (6)	4 (7)	2 (4)	0 (0)	9 (4)	2 (4)	2 (22)	2 (11)	0 (0)	1 (3)	0 (0)	7 (4)	16 (4)
-	-	Others	0 (0)	1 (9)	1 (3)	2 (7)	1 (6)	1 (2)	3 (6)	0 (0)	9 (4)	1 (2)	0 (0)	2 (11)	1 (4)	0 (0)	1 (3)	5 (3)	14 (3)
Total			30	41	145	97	74	246	226	106	965	228	32	56	76	117	113	622	1,587
No. of firms			8	11	37	28	17	60	54	30	245	56	9	18	25	30	32	170	415 (100)

11. INFLUENCE OF THE POLITICAL TURMOIL

(1) Aspect of business which is most largely affected

Note) The questionnaire was made before the declaration of Martial law (20 of May) and coup (22 of May). The firms reported shortly after the coup.

Regarding the Aspect of business which is most largely affected, the predominant response was “Business performance” (44%), followed by “Commuting/transportation” (23%), and “Psychological conditions” (11%) (Table 11-1).

(Table 11-1) Aspect of business which is most largely affected

Unit: No. of firms and (%)

Industry		Business performance	Commuting /transportation	Psychological conditions	No particular influence	Working hours	Others	No. of firms
Manufacturing	Food	4 (44)	2 (22)	0 (0)	1 (11)	1 (11)	1 (11)	9
	Textiles	7 (54)	3 (23)	0 (0)	3 (23)	0 (0)	0 (0)	13
	Chemicals	18 (41)	7 (16)	6 (14)	6 (14)	3 (7)	4 (9)	44
	Steel/Non-ferrous metal	12 (32)	9 (24)	7 (19)	5 (14)	2 (5)	2 (5)	37
	General machinery	8 (36)	8 (36)	4 (18)	1 (5)	1 (5)	0 (0)	22
	Electrical/Electronic machinery	15 (22)	22 (33)	10 (15)	14 (21)	3 (4)	3 (4)	67
	Transportation machinery	46 (73)	5 (8)	3 (5)	5 (8)	2 (3)	2 (3)	63
	Others	13 (41)	7 (22)	2 (6)	6 (19)	0 (0)	0 (0)	32
Manufacturing sector total		123 (43)	63 (22)	32 (11)	41 (14)	12 (4)	12 (4)	287
Non-manufacturing	Trading	26 (37)	19 (27)	9 (13)	8 (11)	5 (7)	3 (4)	70
	Retailing	8 (73)	1 (9)	1 (9)	0 (0)	1 (9)	0 (0)	11
	Finance/Insurance/Securities	8 (42)	4 (21)	2 (11)	1 (5)	2 (11)	2 (11)	19
	Construction/Civil engineering	15 (52)	7 (24)	2 (7)	3 (10)	2 (7)	0 (0)	29
	Transportation/Communications	19 (48)	9 (23)	4 (10)	1 (3)	4 (10)	3 (8)	40
	Others	18 (44)	9 (22)	6 (15)	3 (7)	1 (2)	4 (10)	41
	Non-manufacturing sector total	94 (45)	49 (23)	24 (11)	16 (8)	15 (7)	12 (6)	210
Total		217 (44)	112 (23)	56 (11)	57 (11)	27 (5)	(24) (5)	497

(2) Influence of the political turmoil upon business performance

Regarding the influence of the political turmoil upon business performance, a total of 64% of the firms reported negative effect; 20% reported “Negative effect” and 44% reported “Slight negative effect” and 35% reported “No effect” (Table 11-2).

(Table 11-2) Influence of the political turmoil upon business performance

Unit: No. of firms and (%)

Industry		Negative effect	Slightly negative effect	No effect	Slightly Positive effect	Positive effect	No. of firms
Manufacturing	Food	2 (25)	3 (38)	3 (38)	0 (0)	0 (0)	8
	Textiles	3 (27)	4 (36)	4 (36)	0 (0)	0 (0)	11
	Chemicals	6 (17)	19 (53)	11 (31)	0 (0)	0 (0)	36
	Steel/Non-ferrous metal	3 (11)	12 (43)	13 (46)	0 (0)	0 (0)	28
	General machinery	4 (24)	8 (47)	5 (29)	0 (0)	0 (0)	17
	Electrical/Electronic machinery	4 (7)	12 (20)	44 (73)	0 (0)	0 (0)	60
	Transportation machinery	24 (45)	24 (45)	5 (9)	0 (0)	0 (0)	53
	Others	4 (13)	12 (40)	14 (47)	0 (0)	0 (0)	30
Manufacturing sector total		50 (21)	94 (39)	99 (41)	0 (0)	0 (0)	243
Non-manufacturing	Trading	3 (5)	36 (64)	17 (30)	0 (0)	0 (0)	56
	Retailing	3 (33)	5 (56)	0 (0)	1 (11)	0 (0)	9
	Finance/Insurance/Securities	5 (31)	9 (56)	1 (6)	1 (6)	0 (0)	16
	Construction/Civil engineering	6 (23)	10 (38)	10 (38)	0 (0)	0 (0)	26
	Transportation/Communications	6 (19)	20 (63)	6 (19)	0 (0)	0 (0)	32
	Others	11 (35)	10 (32)	10 (32)	0 (0)	0 (0)	31
Non-manufacturing sector total		34 (20)	90 (53)	44 (26)	2 (1)	0 (0)	170
Total		84 (20)	184 (45)	143 (35)	2 (0)	0 (0)	413

(Reference) Influence by region (check all that apply)**①Bangkok metropolis**

(Table11-2) Bangkok metropolis

Unit: No. of firms and (%)

Industry		Largely-adverse influence	Slightly-adverse influence	No influence	Slightly-favorable influence	Largely-favorable influence	No. of firms
Manufacturing	Food	0 (0)	5 (71)	2 (29)	0 (0)	0 (0)	7
	Textiles	3 (30)	5 (50)	2 (20)	0 (0)	0 (0)	10
	Chemicals	5 (21)	12 (50)	7 (29)	0 (0)	0 (0)	24
	Steel/Non-ferrous metal	3 (18)	6 (35)	8 (47)	0 (0)	0 (0)	17
	General machinery	4 (33)	5 (42)	3 (25)	0 (0)	0 (0)	12
	Electrical/Electronic machinery	3 (8)	10 (25)	27 (68)	0 (0)	0 (0)	40
	Transportation machinery	16 (44)	16 (44)	4 (11)	0 (0)	0 (0)	36
	Others	2 (12)	11 (65)	4 (24)	0 (0)	0 (0)	17
Manufacturing sector total		36 (22)	70 (43)	57 (35)	0 (0)	0 (0)	163
Non-manufacturing	Trading	6 (13)	30 (63)	12 (25)	0 (0)	0 (0)	48
	Retailing	2 (25)	5 (63)	0 (0)	1 (13)	0 (0)	8
	Finance/Insurance/Securities	3 (20)	10 (67)	1 (7)	1 (7)	0 (0)	15
	Construction/Civil engineering	4 (20)	7 (35)	9 (45)	0 (0)	0 (0)	20
	Transportation/Communications	5 (18)	16 (57)	7 (25)	0 (0)	0 (0)	28
	Others	9 (33)	9 (33)	9 (33)	0 (0)	0 (0)	27
Non-manufacturing sector total		29 (20)	77 (53)	38 (26)	2 (1)	0 (0)	146
Total		65 (21)	147 (48)	95 (31)	2 (1)	0 (0)	309

②North

(Table11-2) North

Unit: No. of firms and (%)

Industry		Largely-adverse influence	Slightly-adverse influence	No influence	Slightly-favorable influence	Largely-favorable influence	No. of firms
Manufacturing	Food	2 (40)	0 (0)	3 (60)	0 (0)	0 (0)	5
	Textiles	1 (100)	0 (0)	0 (0)	0 (0)	0 (0)	1
	Chemicals	0 (0)	5 (50)	5 (50)	0 (0)	0 (0)	10
	Steel/Non-ferrous metal	0 (0)	2 (22)	7 (78)	0 (0)	0 (0)	9
	General machinery	2 (29)	3 (43)	2 (29)	0 (0)	0 (0)	7
	Electrical/Electronic machinery	0 (0)	5 (26)	14 (74)	0 (0)	0 (0)	19
	Transportation machinery	7 (39)	6 (33)	5 (28)	0 (0)	0 (0)	18
	Others	0 (0)	1 (13)	7 (88)	0 (0)	0 (0)	8
Manufacturing sector total		12 (16)	22 (29)	43 (56)	0 (0)	0 (0)	77
Non-manufacturing	Trading	1 (5)	11 (50)	10 (45)	0 (0)	0 (0)	22
	Retailing	1 (14)	3 (43)	3 (43)	0 (0)	0 (0)	7
	Finance/Insurance/Securities	0 (0)	4 (67)	1 (17)	1 (17)	0 (0)	6
	Construction/Civil engineering	0 (0)	3 (25)	9 (75)	0 (0)	0 (0)	12
	Transportation/Communications	1 (7)	1 (7)	12 (86)	0 (0)	0 (0)	14
	Others	1 (14)	3 (43)	3 (43)	0 (0)	0 (0)	7
Non-manufacturing sector total		4 (6)	25 (37)	38 (56)	1 (1)	0 (0)	68
Total		16 (11)	47 (32)	81 (56)	1 (1)	0 (0)	145

③North-east

(Table11-2) North-east

Unit: No. of firms and (%)

Industry		Largely-adverse influence	Slightly-adverse influence	No influence	Slightly-favorable influence	Largely-favorable influence	No. of firms
Manufacturing	Food	0 (0)	2 (40)	3 (60)	0 (0)	0 (0)	5
	Textiles	1 (33)	1 (33)	1 (33)	0 (0)	0 (0)	3
	Chemicals	1 (9)	6 (55)	4 (36)	0 (0)	0 (0)	11
	Steel/Non-ferrous metal	0 (0)	2 (25)	6 (75)	0 (0)	0 (0)	8
	General machinery	3 (43)	2 (29)	2 (29)	0 (0)	0 (0)	7
	Electrical/Electronic machinery	0 (0)	6 (29)	15 (71)	0 (0)	0 (0)	21
	Transportation machinery	6 (32)	7 (37)	6 (32)	0 (0)	0 (0)	19
	Others	0 (0)	1 (14)	6 (86)	0 (0)	0 (0)	7
Manufacturing sector total		11 (14)	27 (33)	43 (53)	0 (0)	0 (0)	81
Non-manufacturing	Trading	1 (5)	7 (35)	12 (60)	0 (0)	0 (0)	20
	Retailing	1 (14)	3 (43)	3 (43)	0 (0)	0 (0)	7
	Finance/Insurance/Securities	0 (0)	5 (71)	1 (14)	1 (14)	0 (0)	7
	Construction/Civil engineering	0 (0)	2 (17)	10 (83)	0 (0)	0 (0)	12
	Transportation/Communications	1 (8)	0 (0)	11 (92)	0 (0)	0 (0)	12
	Others	1 (13)	4 (50)	3 (38)	0 (0)	0 (0)	8
	Non-manufacturing sector total	4 (6)	21 (32)	40 (61)	1 (2)	0 (0)	66
Total		15 (10)	48 (33)	83 (56)	1 (1)	0 (0)	147

④Central

(Table11-2) Central

Unit: No. of firms and (%)

Industry		Largely-adverse influence	Slightly-adverse influence	No influence	Slightly-favorable influence	Largely-favorable influence	No. of firms
Manufacturing	Food	0 (0)	1 (20)	4 (80)	0 (0)	0 (0)	5
	Textiles	0 (0)	0 (0)	2 (100)	0 (0)	0 (0)	2
	Chemicals	2 (14)	6 (43)	6 (43)	0 (0)	0 (0)	14
	Steel/Non-ferrous metal	2 (15)	4 (31)	7 (54)	0 (0)	0 (0)	13
	General machinery	2 (25)	3 (38)	3 (38)	0 (0)	0 (0)	8
	Electrical/Electronic machinery	2 (7)	4 (15)	21 (78)	0 (0)	0 (0)	27
	Transportation machinery	8 (32)	10 (40)	7 (28)	0 (0)	0 (0)	25
	Others	0 (0)	2 (17)	10 (83)	0 (0)	0 (0)	12
Manufacturing sector total		16 (15)	30 (28)	60 (57)	0 (0)	0 (0)	106
Non-manufacturing	Trading	1 (4)	16 (57)	11 (39)	0 (0)	0 (0)	28
	Retailing	0 (0)	4 (67)	2 (33)	0 (0)	0 (0)	6
	Finance/Insurance/Securities	0 (0)	6 (75)	1 (13)	1 (13)	0 (0)	8
	Construction/Civil engineering	0 (0)	4 (29)	10 (71)	0 (0)	0 (0)	14
	Transportation/Communications	1 (8)	2 (15)	10 (77)	0 (0)	0 (0)	13
	Others	2 (22)	5 (56)	2 (22)	0 (0)	0 (0)	9
	Non-manufacturing sector total	4 (5)	37 (47)	36 (46)	1 (1)	0 (0)	78
Total		20 (11)	67 (36)	96 (52)	1 (1)	0 (0)	184

⑤South

(Table11-2) South

Unit: No. of firms and (%)

Industry		Largely-adverse influence	Slightly-adverse influence	No influence	Slightly-favorable influence	Largely-favorable influence	No. of firms
Manufacturing	Food	1 (20)	1 (20)	3 (60)	0 (0)	0 (0)	5
	Textiles	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0
	Chemicals	0 (0)	8 (62)	5 (38)	0 (0)	0 (0)	13
	Steel/Non-ferrous metal	0 (0)	2 (25)	6 (75)	0 (0)	0 (0)	8
	General machinery	1 (17)	1 (17)	4 (67)	0 (0)	0 (0)	6
	Electrical/Electronic machinery	0 (0)	3 (18)	14 (82)	0 (0)	0 (0)	17
	Transportation machinery	7 (37)	5 (26)	7 (37)	0 (0)	0 (0)	19
	Others	0 (0)	1 (11)	8 (89)	0 (0)	0 (0)	9
	Manufacturing sector total	9 (12)	21 (27)	47 (61)	0 (0)	0 (0)	77
Non-manufacturing	Trading	1 (5)	10 (45)	11 (50)	0 (0)	0 (0)	22
	Retailing	0 (0)	5 (71)	2 (29)	0 (0)	0 (0)	7
	Finance/Insurance/Securities	0 (0)	5 (71)	1 (14)	1 (14)	0 (0)	7
	Construction/Civil engineering	1 (7)	4 (27)	10 (67)	0 (0)	0 (0)	15
	Transportation/Communications	1 (8)	3 (23)	9 (69)	0 (0)	0 (0)	13
	Others	3 (27)	5 (45)	3 (27)	0 (0)	0 (0)	11
	Non-manufacturing sector total	6 (8)	32 (43)	36 (48)	1 (1)	0 (0)	75
Total		15 (10)	53 (35)	83 (55)	1 (1)	0 (0)	152

(3) Length needed until the political turmoil will be resolved

Regarding the length needed to solve the political turmoil, the predominant response was “More than six months” (69%), followed by “Within six months” (20%) and “Within three months” (8%) (Table 11-3).

(Table11-3) Length needed until the political turmoil will be resolved

Unit: No. of firms and (%)

Industry		Within one month	Within three months	Within six months	More than six months	No. of firms
Manufacturing	Food	0 (0)	0 (0)	4 (50)	4 (50)	8
	Textiles	0 (0)	2 (18)	4 (36)	5 (45)	11
	Chemicals	2 (6)	4 (11)	8 (22)	22 (61)	36
	Steel/Non-ferrous metal	0 (0)	4 (14)	5 (18)	19 (68)	28
	General machinery	0 (0)	1 (6)	5 (29)	11 (65)	17
	Electrical/Electronic machinery	1 (2)	3 (5)	14 (24)	41 (69)	59
	Transportation machinery	1 (2)	4 (7)	12 (22)	37 (69)	54
	Others	1 (3)	4 (13)	5 (17)	20 (67)	30
	Manufacturing sector total	5 (2)	22 (9)	57 (23)	159 (65)	243
Non-manufacturing	Trading	3 (5)	4 (7)	10 (18)	38 (69)	55
	Retailing	1 (13)	0 (0)	0 (0)	7 (88)	8
	Finance/Insurance/Securities	0 (0)	1 (6)	2 (11)	15 (83)	18
	Construction/Civil engineering	1 (4)	1 (4)	3 (12)	20 (80)	25
	Transportation/Communications	0 (0)	3 (10)	4 (13)	24 (77)	31
	Others	1 (3)	2 (6)	6 (19)	23 (72)	32
	Non-manufacturing sector total	6 (4)	11 (7)	25 (15)	127 (75)	169
Total		11 (3)	33 (8)	82 (20)	286 (69)	412

(4) Matter of concern in case the political turmoil is prolonged

Regarding the matter of concern in case the political turmoil is prolonged (check all that apply), the predominant response was “Decline in consumption/consumer confidence” (72%), followed by “Decline in the number of tourists” (47%), and “Delay in administrative procedures” (46%).

By industry, other major responses by the manufacturing sector were “Response to inquiry from the head office and clients” (37%), and in the non-manufacturing sector “Delay in the government's infrastructure improvement plan” (40%) (Table11-4).

(Table11-4) Matter of concern in case the political turmoil is prolonged (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	Decline in consumption/consumer confidence	4 (50)	9 (82)	24 (65)	22 (79)	13 (81)	30 (51)	46 (85)	19 (63)	167 (69)	47 (84)	8 (89)	15 (125)	9 (36)	25 (81)	24 (75)	128 (78)	295 (72)
2	Decline in the number of tourists	3 (38)	7 (64)	14 (38)	12 (43)	8 (50)	23 (39)	28 (62)	14 (47)	109 (45)	33 (59)	7 (78)	7 (58)	8 (32)	13 (42)	13 (41)	81 (49)	190 (47)
3	Delay in administrative procedures	4 (50)	6 (55)	21 (57)	13 (46)	9 (56)	30 (51)	28 (62)	10 (33)	121 (50)	20 (36)	3 (33)	9 (75)	13 (52)	11 (35)	12 (38)	68 (41)	189 (46)
4	Decline in capital investment	2 (25)	2 (18)	11 (30)	11 (39)	14 (88)	15 (25)	13 (24)	12 (40)	80 (33)	23 (41)	3 (33)	7 (58)	22 (88)	13 (42)	9 (28)	77 (47)	157 (38)
5	Response to inquiry from the head office and clients	1 (13)	8 (73)	9 (24)	6 (21)	10 (63)	33 (56)	16 (30)	8 (27)	91 (37)	21 (38)	3 (33)	7 (58)	7 (28)	12 (39)	9 (28)	59 (36)	150 (37)
6	Delay and decrease in public works	1 (13)	3 (27)	10 (27)	7 (25)	9 (56)	18 (31)	27 (50)	11 (37)	86 (35)	24 (43)	1 (11)	9 (75)	7 (28)	11 (35)	10 (31)	62 (38)	148 (36)
7	Delay in approving investment incentives	1 (13)	7 (64)	9 (24)	10 (36)	6 (38)	25 (42)	22 (41)	7 (23)	87 (36)	16 (29)	1 (11)	10 (83)	17 (68)	8 (26)	9 (28)	61 (37)	148 (36)
8	Delay in the infrastructure development by government	0 (0)	1 (9)	13 (35)	10 (36)	7 (44)	18 (31)	23 (43)	8 (27)	80 (33)	17 (30)	2 (22)	10 (83)	7 (28)	14 (45)	16 (50)	66 (40)	146 (36)
9	Overseas companies' concern about stable product supply	1 (13)	5 (45)	9 (24)	9 (32)	4 (25)	30 (51)	10 (19)	7 (23)	75 (31)	13 (23)	0 (0)	1 (8)	1 (4)	3 (10)	2 (6)	20 (12)	95 (23)
10	Delay in progress of the ASEAN Economic Community	0 (0)	4 (36)	7 (19)	4 (14)	2 (13)	10 (17)	13 (24)	2 (7)	42 (17)	12 (21)	2 (22)	6 (50)	2 (8)	7 (23)	7 (22)	36 (22)	78 (19)
11	Delay in measures to prevent flood	2 (25)	1 (9)	4 (11)	6 (21)	3 (19)	12 (20)	10 (19)	5 (17)	43 (18)	7 (13)	1 (11)	3 (25)	0 (0)	5 (16)	1 (3)	17 (10)	60 (15)
12	Delay in FTA negotiation	0 (0)	2 (18)	3 (8)	2 (7)	2 (13)	11 (19)	11 (20)	1 (3)	32 (13)	8 (14)	0 (0)	1 (8)	1 (4)	2 (6)	4 (13)	16 (10)	48 (12)
13	Increase in expenses	2 (25)	1 (9)	4 (11)	1 (4)	3 (19)	5 (8)	9 (17)	1 (3)	26 (11)	1 (2)	2 (22)	0 (0)	1 (4)	6 (19)	3 (9)	13 (8)	39 (10)
—	Others	0 (0)	0 (0)	0 (0)	1 (4)	1 (6)	0 (0)	0 (0)	0 (0)	2 (1)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	5 (16)	5 (3)	7 (2)
Total		21	56	138	114	91	260	256	105	1041	242	33	85	95	130	124	709	1,750
No. of firms		8	11	37	28	16	59	54	30	243	56	9	12	25	31	32	165	408 (100)

(5) Influence of the political turmoil upon their own investment plan (check all that apply)

Regarding the influence of the political turmoil upon their own investment plan (check all that apply), the predominant response was “Not affected” (68%), followed by “Postponed” (8%) and “Reduced” (6%) (Table 11-5).

(Table 11-5) Influence of the political turmoil upon their own investment plan (check all that apply).

								Unit: No. of firms and (%)		
Industry		Not affected	Postponed	Reduced	Suspended	Expanded	Considering shift of investment to other countries	No investment plan has been made	No. of firms	
Manufacturing	Food	7 (88)	0 (0)	1 (13)	0 (0)	0 (0)	0 (0)	0 (0)	8	
	Textiles	9 (82)	0 (0)	2 (18)	0 (0)	0 (0)	0 (0)	0 (0)	11	
	Chemicals	24 (65)	7 (19)	3 (8)	1 (3)	1 (3)	1 (3)	4 (11)	37	
	Steel/Non-ferrous metal	21 (78)	1 (4)	2 (7)	0 (0)	0 (0)	0 (0)	3 (11)	27	
	General machinery	7 (41)	1 (6)	3 (18)	0 (0)	0 (0)	1 (6)	6 (35)	17	
	Electrical/Electronic machinery	53 (88)	5 (8)	1 (2)	0 (0)	0 (0)	1 (2)	2 (3)	60	
	Transportation machinery	35 (65)	7 (13)	6 (11)	2 (4)	0 (0)	0 (0)	7 (13)	54	
	Others	24 (80)	3 (10)	0 (0)	0 (0)	0 (0)	0 (0)	1 (3)	30	
Manufacturing sector total		180 (74)	24 (10)	18 (7)	3 (1)	1 (0)	3 (1)	23 (9)	244	
Non-manufacturing	Trading	34 (62)	2 (4)	0 (0)	1 (2)	1 (2)	0 (0)	18 (33)	55	
	Retailing	7 (78)	0 (0)	1 (11)	0 (0)	0 (0)	0 (0)	0 (0)	9	
	Finance/Insurance/Securities	9 (60)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	15	
	Construction/Civil engineering	12 (57)	0 (0)	2 (10)	0 (0)	1 (5)	0 (0)	0 (0)	21	
	Transportation/Communications	20 (65)	2 (6)	0 (0)	0 (0)	1 (3)	0 (0)	0 (0)	31	
	Others	14 (45)	4 (13)	3 (10)	2 (6)	1 (3)	0 (0)	0 (0)	31	
	Non-manufacturing sector total		96 (59)	8 (5)	6 (4)	3 (2)	4 (2)	0 (0)	18 (11)	162
Total		276 (68)	32 (8)	24 (6)	6 (1)	5 (1)	3 (1)	41 (10)	406	

(6) Influence of the political turmoil upon Japanese investment in Thailand

Regarding the influence of the political turmoil upon Japanese investment in Thailand, the percentage of the firms which anticipate “No change” and “Decrease” was both 50% (Table 11-6).

(Table 11-6) Influence of the political turmoil upon Japanese investment in Thailand

		Unit: No. of firms and (%)			
Industry		Increase	No change	Decrease	No. of firms
Manufacturing	Food	0 (0)	4 (50)	4 (50)	8
	Textiles	0 (0)	4 (36)	7 (64)	11
	Chemicals	1 (3)	22 (59)	14 (38)	37
	Steel/Non-ferrous metal	0 (0)	14 (50)	14 (50)	28
	General machinery	0 (0)	7 (39)	11 (61)	18
	Electrical/Electronic machinery	1 (2)	33 (55)	26 (43)	60
	Transportation machinery	0 (0)	30 (56)	24 (44)	54
	Others	0 (0)	16 (53)	14 (47)	30
	Manufacturing sector total	2 (1)	130 (53)	114 (46)	246
Non-manufacturing	Trading	1 (2)	31 (55)	24 (43)	56
	Retailing	0 (0)	4 (44)	5 (56)	9
	Finance/Insurance/Securities	0 (0)	12 (67)	6 (33)	18
	Construction/Civil engineering	0 (0)	8 (32)	17 (68)	25
	Transportation/Communications	0 (0)	8 (27)	22 (73)	30
	Others	1 (3)	13 (41)	18 (56)	32
	Non-manufacturing sector total	2 (1)	76 (45)	92 (54)	170
Total		4 (1)	206 (50)	206 (50)	416

12. LABOR SITUATION AND MEASURES

(1) Labor Situation

Regarding the labor situation, the predominant response was “No shortage” (44%), followed by “Slight shortages” (39%). A total of 43% of the firms still reported labor shortage while the percentage of the firms which reported labor excess slightly increased. (Table 12-1). The ratio decreased a little bit from the last survey, but 43% still have the feeling of a shortage. On the other hand, the ratio with the feeling of excess increased a little bit.

(Table 12-1) Labor Situation

Unit: No. of firms and (%)							
Industry		Very short	Slightly short	Adequate	Slightly in excessive	Very much in excess	No. of firms
Manufacturing	Food	1 (13)	6 (75)	1 (13)	0 (0)	0 (0)	8
	Textiles	1 (9)	4 (36)	2 (18)	4 (36)	0 (0)	11
	Chemicals	1 (3)	13 (35)	18 (49)	5 (14)	0 (0)	37
	Steel/Non-ferrous metal	2 (7)	9 (33)	12 (44)	3 (11)	1 (4)	27
	General machinery	0 (0)	4 (22)	11 (61)	3 (17)	0 (0)	18
	Electrical/Electronic machinery	0 (0)	23 (39)	29 (49)	7 (12)	0 (0)	59
	Transportation machinery	0 (0)	13 (24)	25 (46)	16 (30)	0 (0)	54
	Others	1 (3)	10 (33)	13 (43)	6 (20)	0 (0)	30
Manufacturing sector total		6 (2)	82 (34)	111 (45)	44 (18)	1 (0)	244
Non-manufacturing	Trading	2 (4)	23 (41)	27 (48)	4 (7)	0 (0)	56
	Retailing	0 (0)	9 (100)	0 (0)	0 (0)	0 (0)	9
	Finance/Insurance/Securities	1 (6)	10 (56)	7 (39)	0 (0)	0 (0)	18
	Construction/Civil engineering	1 (4)	10 (40)	10 (40)	4 (16)	0 (0)	25
	Transportation/Communications	3 (10)	13 (42)	13 (42)	2 (6)	0 (0)	31
	Others	2 (6)	14 (44)	14 (44)	1 (3)	1 (3)	32
	Non-manufacturing sector total		9 (5)	79 (46)	71 (42)	11 (6)	1 (1)
Total		15 (4)	161 (39)	182 (44)	55 (13)	2 (0)	415

(At previous survey) Labor Situation

		Unit: No. of firms and (%)					
Industry		Very short	Slightly short	Adequate	Slightly in excessive	Very much in excess	No. of firms
Manufacturing		6 (3)	96 (41)	105 (45)	26 (11)	1 (0)	234
Non-manufacturing		13 (7)	100 (55)	64 (35)	6 (3)	0 (0)	183
Total		19 (5)	196 (47)	169 (41)	32 (8)	1 (0)	417

(2) Measures to Address Labor Shortage

Regarding measures to address labor shortage (check all that apply), the predominant response was “Increase in salaries and wages” (57%), followed by “Enhancement of employee benefits and welfare” (45%), “Enhancement of education and training” (41%) and “Increase in bonuses” (22%) . By industry, the predominant response in manufacturing was “Mechanization of production and improvement of business efficiency” (35%) (Table12-2).

(Table12-2) Measures to Address Labor Shortage (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 salaries and wages	4 (57)	2 (40)	8 (50)	7 (64)	3 (60)	10 (43)	6 (55)	5 (45)	45 (51)	21 (84)	3 (33)	8 (73)	6 (60)	12 (71)	6 (40)	56 (64)	101 (57)
2	Enhancement of employee benefits and welfare	2 (29)	2 (40)	7 (44)	4 (36)	3 (60)	11 (48)	8 (73)	7 (64)	44 (49)	12 (48)	6 (67)	4 (36)	3 (30)	8 (47)	3 (20)	36 (41)	80 (45)
3	Enhancement of education and training	1 (14)	2 (40)	7 (44)	3 (27)	3 (60)	9 (39)	7 (64)	5 (45)	37 (42)	14 (56)	3 (33)	4 (36)	5 (50)	7 (41)	2 (13)	35 (40)	72 (41)
4	Increase in bonuses	3 (43)	0 (0)	6 (38)	3 (27)	1 (20)	5 (22)	6 (55)	2 (18)	26 (29)	1 (4)	1 (11)	3 (27)	1 (10)	4 (24)	2 (13)	12 (14)	38 (22)
5	Use of temporary employees	0 (0)	1 (20)	4 (25)	4 (36)	0 (0)	8 (35)	0 (0)	2 (18)	19 (21)	2 (8)	1 (11)	2 (18)	2 (20)	5 (29)	6 (40)	18 (21)	37 (21)
6	Mechanization of production and improvement of business efficiency	4 (57)	1 (20)	6 (38)	4 (36)	0 (0)	5 (22)	5 (45)	6 (55)	31 (35)	0 (0)	0 (0)	0 (0)	1 (10)	1 (6)	0 (0)	2 (2)	33 (19)
7	Use of overseas workers	2 (29)	1 (20)	1 (6)	0 (0)	0 (0)	1 (4)	0 (0)	0 (0)	5 (6)	0 (0)	0 (0)	0 (0)	2 (20)	2 (12)	0 (0)	4 (5)	9 (5)
8	No particular measure has been (or will be) taken	0 (0)	0 (0)	1 (6)	0 (0)	1 (20)	1 (4)	1 (9)	0 (0)	4 (4)	2 (8)	0 (0)	0 (0)	0 (0)	0 (0)	3 (20)	5 (6)	9 (5)
9	Postponement of the retirement age	0 (0)	1 (20)	1 (6)	0 (0)	0 (0)	0 (0)	1 (9)	0 (0)	3 (3)	0 (0)	0 (0)	0 (0)	1 (10)	1 (6)	1 (7)	3 (3)	6 (3)
10	Transfer of all or part of the business to neighboring countries	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	2 (9)	0 (0)	2 (18)	4 (4)	0 (0)	0 (0)	1 (9)	0 (0)	0 (0)	1 (7)	2 (2)	6 (3)
—	Others	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (4)	0 (0)	0 (0)	1 (1)	0 (0)	2 (22)	1 (9)	0 (0)	0 (0)	1 (7)	4 (5)	5 (3)
Total		16	10	41	25	11	53	34	29	219	52	16	23	21	40	25	177	396
No. of firms		7	5	16	11	5	23	11	11	89	25	9	11	10	17	15	87	176 (100)

(3) Measures to Address Labor Excess

Regarding measures to address labor excess (check all that apply), the predominant response was “Reduction of overtime-work hours” (65%), followed by “Suspension of new recruitments” (50%), “Reduction of temporary employees (fixed-term employees)” (22%), and “Cutting in bonuses” (17%) (Table12-3).

(Table12-3) Measures to Address Labor Excess (Check all that apply)

Table 12.3: Measures to Address Labor Excess (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	Reduction of overtime-work hours	0 (0)	1 (25)	2 (50)	3 (75)	1 (100)	5 (71)	13 (76)	3 (50)	28 (65)	21 (84)	3 (33)	8 (73)	6 (60)	12 (71)	6 (40)	56 (64)	84 (65)
2	Suspension of new recruitments	0 (0)	4 (100)	4 (100)	3 (75)	1 (100)	4 (57)	13 (76)	0 (0)	29 (67)	12 (48)	6 (67)	4 (36)	3 (30)	8 (47)	3 (20)	36 (41)	65 (50)
3	Reduction of temporary employees (fixed-term employees)	0 (0)	1 (25)	1 (25)	1 (25)	0 (0)	2 (29)	8 (47)	4 (67)	17 (40)	1 (4)	1 (11)	3 (27)	1 (10)	4 (24)	2 (13)	12 (14)	29 (22)
4	Cutting in bonuses	0 (0)	0 (0)	1 (25)	0 (0)	0 (0)	0 (0)	3 (18)	0 (0)	4 (9)	2 (8)	1 (11)	2 (18)	2 (20)	5 (29)	6 (40)	18 (21)	22 (17)
5	Suspension of increase in wages and salaries	0 (0)	1 (25)	1 (25)	0 (0)	0 (0)	2 (29)	4 (24)	0 (0)	8 (19)	0 (0)	0 (0)	0 (0)	2 (20)	2 (12)	0 (0)	4 (5)	12 (9)
6	No particular measure has been (or will be) taken	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (14)	1 (6)	1 (17)	3 (7)	0 (0)	0 (0)	0 (0)	1 (10)	1 (6)	1 (7)	3 (3)	6 (5)
—	Others	0 (0)	0 (0)	1 (25)	1 (25)	0 (0)	0 (0)	0 (0)	0 (0)	2 (5)	0 (0)	0 (0)	0 (0)	1 (10)	1 (6)	0 (0)	2 (2)	4 (3)
Total		0	7	10	8	2	14	42	8	91	36	11	17	16	33	18	131	222
No. of firms		0	4	4	4	1	7	17	6	43	25	9	11	10	17	15	87	130 (100)

13. RISE OF LABOR COSTS AND PRICES

(1) Labor cost and Purchasing cost

Regarding the labor cost, the predominant response was “Slightly increased” (61%), followed by “Increased” (31%).

Regarding the purchasing cost, the percentage of the firms which reported “Slightly increased” and “No change” was both 41%, followed by “Increased” (10%).

(Table13-1) Labor cost

Unit: No. of firms and (%)

Industry		Increased	Slightly increased	No change	Slightly decreased	Decreased	No. of firms
Manufacturing	Food	2 (25)	6 (75)	0 (0)	0 (0)	0 (0)	8
	Textiles	4 (36)	5 (45)	2 (18)	0 (0)	0 (0)	11
	Chemicals	12 (32)	23 (62)	2 (5)	0 (0)	0 (0)	37
	Steel/Non-ferrous metal	10 (36)	12 (43)	5 (18)	1 (4)	0 (0)	28
	General machinery	5 (29)	11 (65)	1 (6)	0 (0)	0 (0)	17
	Electrical/Electronic machinery	13 (22)	41 (69)	5 (8)	0 (0)	0 (0)	59
	Transportation machinery	20 (38)	32 (60)	1 (2)	0 (0)	0 (0)	53
	Others	10 (33)	12 (40)	6 (20)	1 (3)	0 (0)	30
Manufacturing sector total		76 (31)	142 (58)	22 (9)	2 (1)	0 (0)	243
Non-manufacturing	Trading	18 (33)	35 (64)	2 (4)	0 (0)	0 (0)	55
	Retailing	2 (22)	6 (67)	1 (11)	0 (0)	0 (0)	9
	Finance/Insurance/Securities	3 (18)	13 (76)	1 (6)	0 (0)	0 (0)	17
	Construction/Civil engineering	5 (20)	17 (68)	3 (12)	0 (0)	0 (0)	25
	Transportation/Communications	13 (42)	18 (58)	0 (0)	0 (0)	0 (0)	31
	Others	9 (28)	20 (63)	3 (9)	0 (0)	0 (0)	32
Non-manufacturing sector total		50 (30)	109 (64)	10 (6)	0 (0)	0 (0)	169
Total		126 (31)	251 (61)	32 (8)	2 (0)	0 (0)	412

(Table13-2) Purchasing cost

Unit: No. of firms and (%)

Industry		Increased	Slightly increased	No change	Slightly decreased	Decreased	No. of firms
Manufacturing	Food	2 (25)	5 (63)	1 (13)	0 (0)	0 (0)	8
	Textiles	2 (18)	6 (55)	2 (18)	1 (9)	0 (0)	11
	Chemicals	8 (22)	14 (39)	10 (28)	3 (8)	1 (3)	36
	Steel/Non-ferrous metal	2 (8)	9 (35)	12 (46)	3 (12)	0 (0)	26
	General machinery	0 (0)	8 (47)	9 (53)	0 (0)	0 (0)	17
	Electrical/Electronic machinery	1 (2)	30 (51)	23 (39)	5 (8)	0 (0)	59
	Transportation machinery	5 (10)	21 (40)	15 (29)	11 (21)	0 (0)	52
	Others	6 (21)	9 (31)	12 (41)	2 (7)	0 (0)	29
Manufacturing sector total		26 (11)	102 (43)	84 (35)	25 (11)	1 (0)	238
Non-manufacturing	Trading	2 (4)	26 (47)	27 (49)	0 (0)	0 (0)	55
	Retailing	1 (11)	3 (33)	3 (33)	2 (22)	0 (0)	9
	Finance/Insurance/Securities	1 (10)	2 (20)	4 (40)	3 (30)	0 (0)	10
	Construction/Civil engineering	1 (4)	11 (44)	12 (48)	1 (4)	0 (0)	25
	Transportation/Communications	4 (13)	13 (43)	13 (43)	0 (0)	0 (0)	30
	Others	3 (10)	6 (21)	18 (62)	2 (7)	0 (0)	29
Non-manufacturing sector total		12 (8)	61 (39)	77 (49)	8 (5)	0 (0)	158
Total		38 (10)	163 (41)	161 (41)	33 (8)	1 (0)	396

(2) Measures to address the increased costs

Regarding measures to address the increased cost (check all that apply), the predominant response was “Reduction of expenses” (59%), followed by “Not transferable” (29%), “Shift some labor cost to sales or service price” (24%). By industry, other major responses by the manufacturing sector were “Change of supplier” (30%) and “Improvement of efficiency in energy conservation and fuel consumption” (29%) (Table13-3).

(Table13-3) Measures to address the increased costs (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	Reduction of expenses	5 (63)	9 (90)	19 (66)	12 (60)	11 (73)	34 (71)	34 (79)	16 (70)	140 (71)	18 (36)	4 (57)	2 (15)	7 (32)	19 (66)	12 (44)	62 (42)	202 (59)
2	Not transferable	0 (0)	2 (20)	5 (17)	6 (30)	3 (20)	13 (27)	14 (33)	9 (39)	52 (27)	17 (34)	1 (14)	8 (62)	6 (27)	10 (34)	5 (19)	47 (32)	99 (29)
3	Shift some labor cost to sales or service price	5 (63)	5 (50)	11 (38)	3 (15)	6 (40)	5 (10)	2 (5)	1 (4)	38 (19)	16 (32)	2 (29)	2 (15)	8 (36)	10 (34)	7 (26)	45 (30)	83 (24)
4	Change of supplier	1 (13)	4 (40)	8 (28)	4 (20)	6 (40)	16 (33)	13 (30)	6 (26)	58 (30)	7 (14)	2 (29)	1 (8)	3 (14)	2 (7)	2 (7)	17 (11)	75 (22)
5	Improvement of efficiency in energy conservation and fuel consumption	3 (38)	7 (70)	6 (21)	8 (40)	3 (20)	11 (23)	12 (28)	6 (26)	56 (29)	0 (0)	1 (14)	0 (0)	1 (5)	2 (7)	1 (4)	5 (3)	61 (18)
6	Reduction of labor cost	2 (25)	4 (40)	6 (21)	2 (10)	3 (20)	10 (21)	11 (26)	5 (22)	43 (22)	3 (6)	1 (14)	0 (0)	1 (5)	4 (14)	2 (7)	11 (7)	54 (16)
7	Shift all the labor cost to sales or service prices	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (2)	0 (0)	0 (0)	1 (1)	4 (8)	0 (0)	0 (0)	2 (9)	0 (0)	3 (11)	9 (6)	10 (3)
—	Others	1 (13)	0 (0)	1 (3)	0 (0)	0 (0)	2 (4)	2 (5)	1 (4)	7 (4)	2 (4)	1 (14)	1 (8)	0 (0)	0 (0)	1 (4)	5 (3)	12 (3)
Total		17	31	56	35	32	92	88	44	395	67	12	14	28	47	33	201	596
No. of firms		8	10	29	20	15	48	43	23	196	50	7	13	22	29	27	148	344 (100)

14. BUSINESS TRANSACTIONS WITH THAI COMPANIES

(1) Business transactions with Thai companies

Regarding the question about business transactions with a local Thai company for the main business transactions, 83% answered "Have business transactions with Thai companies".

Regarding the type of business transactions with Thai companies that the firm presently have or may have in the future (check all that apply), the predominant response was "Procurement of supplies and raw materials" (74%), followed by "Sales" (57%), and "Outsourcing of sales and production" (21%) (Table14-1, 2).

(Table14-1) Business transactions with Thai companies

Unit: No. of firms and (%)						
Industry		Have business transactions with Thai companies		Have no business transactions (or have few business transactions) with Thai companies		No. of firms
Manufacturing	Food	8	(100)	0	(0)	8
	Textiles	10	(91)	1	(9)	11
	Chemicals	33	(89)	4	(11)	37
	Steel/Non-ferrous metal	21	(75)	7	(25)	28
	General machinery	15	(88)	2	(12)	17
	Electrical/Electronic machinery	51	(86)	8	(14)	59
	Transportation machinery	44	(83)	9	(17)	53
	Others	28	(93)	2	(7)	30
	Manufacturing sector total	210	(86)	33	(14)	243
Non-manufacturing	Trading	47	(84)	9	(16)	56
	Retailing	9	(100)	0	(0)	9
	Finance/Insurance/Securities	13	(87)	2	(13)	15
	Construction/Civil engineering	19	(73)	7	(27)	26
	Transportation/Communications	26	(84)	5	(16)	31
	Others	20	(63)	12	(38)	32
	Non-manufacturing sector total	134	(79)	35	(21)	169
Total		344	(83)	68	(17)	412

(Table14-2) Type of business transactions with Thai companies that the firm presently have or may have in the future (check all that apply)

Unit: No. of firms and (%)									
Industry		Procurement of supplies and raw materials	Sales	Outsourcing of sales and production	Joint venture	Technical cooperation	Other	No. of firms	
Manufacturing	Food	8 (100)	6 (75)	4 (50)	1 (13)	1 (13)	0 (0)	8	
	Textiles	9 (82)	9 (82)	6 (55)	0 (0)	0 (0)	0 (0)	11	
	Chemicals	30 (81)	27 (73)	12 (32)	3 (8)	0 (0)	0 (0)	37	
	Steel/Non-ferrous metal	17 (65)	19 (73)	3 (12)	3 (12)	0 (0)	0 (0)	26	
	General machinery	12 (75)	12 (75)	6 (38)	4 (25)	2 (13)	0 (0)	16	
	Electrical/Electronic machinery	51 (89)	22 (39)	9 (16)	2 (4)	1 (2)	1 (2)	57	
	Transportation machinery	47 (92)	24 (47)	13 (25)	1 (2)	0 (0)	1 (2)	51	
	Others	22 (76)	18 (62)	6 (21)	1 (3)	0 (0)	0 (0)	29	
	Manufacturing sector total	196 (83)	137 (58)	59 (25)	15 (6)	4 (2)	2 (1)	235	
Non-manufacturing	Trading	40 (73)	43 (78)	19 (35)	10 (18)	4 (7)	3 (5)	55	
	Retailing	7 (78)	5 (56)	0 (0)	0 (0)	0 (0)	0 (0)	9	
	Finance/Insurance/Securities	2 (15)	6 (46)	1 (8)	0 (0)	0 (0)	6 (46)	13	
	Construction/Civil engineering	21 (88)	7 (29)	1 (4)	1 (4)	1 (4)	0 (0)	24	
	Transportation/Communications	16 (57)	12 (43)	0 (0)	4 (14)	0 (0)	4 (14)	28	
	Others	7 (27)	13 (50)	3 (12)	1 (4)	0 (0)	7 (27)	26	
	Non-manufacturing sector total	93 (60)	86 (55)	24 (15)	16 (10)	5 (3)	20 (13)	155	
Total		289 (74)	223 (57)	83 (21)	31 (8)	9 (2)	(22) (6)	390	

(2) Expectations for business transactions with Thai companies.

Regarding the expectations for business transactions with Thai companies, (check all that apply) the predominant response was “Maintenance and improvement of quality” (55%), followed by “Price competitiveness” (49%), and “Compliance with due date of delivery” (43%) (Table14-3).

(Table14-3) Expectations for business transactions with Thai companies (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	Maintenance and improvement of quality	4 (50)	7 (64)	12 (32)	18 (69)	10 (63)	41 (72)	38 (70)	17 (57)	147 (62)	23 (43)	4 (44)	3 (23)	11 (46)	15 (56)	11 (42)	67 (44)	214 (55)
2	Price competitiveness	4 (50)	2 (18)	17 (46)	14 (54)	13 (81)	34 (60)	33 (61)	13 (43)	130 (54)	27 (51)	3 (33)	3 (23)	15 (63)	9 (33)	4 (15)	61 (40)	191 (49)
3	Compliance with due date of delivery	3 (38)	5 (45)	11 (30)	11 (42)	7 (44)	31 (54)	36 (67)	14 (47)	118 (49)	17 (32)	2 (22)	0 (0)	13 (54)	10 (37)	9 (35)	51 (34)	169 (43)
4	Cultivation of sales channel	4 (50)	2 (18)	14 (38)	3 (12)	4 (25)	11 (19)	5 (9)	6 (20)	49 (21)	22 (42)	3 (33)	2 (15)	3 (13)	4 (15)	5 (19)	39 (26)	88 (23)
5	Stabilization of and increase in production capacity	1 (13)	3 (27)	9 (24)	5 (19)	2 (13)	15 (26)	13 (24)	8 (27)	56 (23)	8 (15)	1 (11)	0 (0)	2 (8)	1 (4)	1 (4)	13 (9)	69 (18)
6	Acquisition of credit information	2 (25)	2 (18)	9 (24)	2 (8)	1 (6)	7 (12)	6 (11)	3 (10)	32 (13)	8 (15)	1 (11)	0 (0)	5 (21)	7 (26)	1 (4)	22 (14)	54 (14)
7	Information on local companies (lists etc.)	0 (0)	3 (27)	8 (22)	1 (4)	4 (25)	6 (11)	2 (4)	4 (13)	28 (12)	12 (23)	1 (11)	1 (8)	3 (13)	3 (11)	2 (8)	22 (14)	50 (13)
8	Harmonization of procedures and business practices	0 (0)	0 (0)	5 (14)	2 (8)	1 (6)	3 (5)	6 (11)	3 (10)	20 (8)	5 (9)	3 (33)	1 (8)	3 (13)	5 (19)	2 (8)	19 (13)	39 (10)
9	Personnel who can deal with Thai companies	2 (25)	0 (0)	2 (5)	1 (4)	1 (6)	1 (2)	1 (2)	3 (10)	11 (5)	6 (11)	1 (11)	2 (15)	4 (17)	4 (15)	1 (4)	18 (12)	29 (7)
—	Others	0 (0)	0 (0)	0 (0)	1 (4)	0 (0)	0 (0)	0 (0)	0 (0)	1 (0)	0 (0)	0 (0)	4 (31)	0 (0)	2 (7)	1 (4)	7 (5)	8 (2)
Total		20	24	87	58	43	149	140	71	592	128	19	16	59	60	37	319	911
No. of firms		8	11	37	26	16	57	54	30	239	53	9	13	24	27	26	152	391 (100)

15. R&D SITE AND TECHNICAL CENTER

(1) Establishment of R&D site or technical center in Thai land

The percentage of firms which responded “Already founded” was 13% and “Considering” was 9%. Especially 30% of manufacturing industries responded “Already founded” or “Considering”. Especially in the manufacturing sector, a total of 30% answered, “Already founded”(18%) and “Under consideration”(12%).

Regarding the purpose for which the firm established R&D site or technical center in Thailand (check all that apply), the predominant response was “Improvement of production technology” (60%), followed by “Product development suitable for the market in ASEAN” (49%), and “Data collection” (36%). By industry, other major responses by the manufacturing sector were “Training for technical staff” (48%), “Product development suitable for the market in Thailand” (45%), and “Technology transfer” (27%)(Table15-1, 2).

(Table15-1) The establishment of a R&D site or technical center in Thailand

		Unit: No. of firms and (%)			
Indystry		Already founded	Considering	Not considering	No. of firms
Manufacturing	Food	5 (63)	0 (0)	3 (38)	8
	Textiles	4 (36)	1 (9)	6 (55)	11
	Chemicals	11 (31)	9 (26)	15 (43)	35
	Steel/Non-ferrous metal	0 (0)	0 (0)	28 (100)	28
	General machinery	1 (6)	4 (24)	12 (71)	17
	Electrical/Electronic machinery	9 (15)	6 (10)	44 (75)	59
	Transportation machinery	10 (19)	9 (17)	34 (64)	53
	Others	4 (13)	1 (3)	25 (83)	30
Manufacturing sector total		44 (18)	30 (12)	167 (69)	241
Non-manufacturing	Trading	2 (4)	2 (4)	48 (92)	52
	Retailing	0 (0)	1 (13)	7 (88)	8
	Finance/Insurance/Securities	0 (0)	0 (0)	14 (100)	14
	Construction/Civil engineering	0 (0)	1 (5)	20 (95)	21
	Transportation/Communications	2 (7)	0 (0)	27 (93)	29
	Others	2 (7)	1 (3)	27 (90)	30
Non-manufacturing sector total		6 (4)	5 (3)	143 (93)	154
Total		50 (13)	35 (9)	310 (78)	395

(Table15-2) The purpose for which the firm established R&D site or technical center 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	Improvement of production technology	4 (80)	4 (80)	7 (33)	0 (0)	2 (40)	6 (40)	5 (28)	4 (100)	32 (44)	25 (78)	4 (50)	11 (79)	12 (71)	14 (70)	11 (58)	77 (70)	109 (60)
2	Product development suitable for the market in ASEAN	2 (40)	3 (60)	11 (52)	0 (0)	2 (40)	8 (53)	13 (72)	1 (25)	40 (55)	15 (47)	3 (38)	5 (36)	5 (29)	9 (45)	12 (63)	49 (45)	89 (49)
3	Data collection	1 (20)	1 (20)	3 (14)	0 (0)	2 (40)	3 (20)	4 (22)	1 (25)	15 (21)	9 (28)	6 (75)	9 (64)	6 (35)	12 (60)	8 (42)	50 (45)	65 (36)
4	Product development suitable for the market in Thailand	4 (80)	2 (40)	9 (43)	0 (0)	2 (40)	4 (27)	11 (61)	1 (25)	33 (45)	6 (19)	0 (0)	4 (29)	4 (24)	3 (15)	1 (5)	18 (16)	51 (28)
5	Training for technical staff	2 (40)	2 (40)	10 (48)	0 (0)	3 (60)	7 (47)	9 (50)	2 (50)	35 (48)	2 (6)	0 (0)	2 (14)	2 (12)	4 (20)	0 (0)	10 (9)	45 (25)
6	Technology transfer	2 (40)	2 (40)	2 (10)	0 (0)	3 (60)	6 (40)	4 (22)	1 (25)	20 (27)	1 (3)	3 (38)	1 (7)	1 (6)	5 (25)	2 (11)	13 (12)	33 (18)
7	Joint development with clients	1 (20)	2 (40)	1 (5)	0 (0)	0 (0)	3 (20)	5 (28)	1 (25)	13 (18)	2 (6)	0 (0)	2 (14)	0 (0)	0 (0)	2 (11)	6 (5)	19 (10)
8	Basic research	2 (40)	0 (0)	2 (10)	0 (0)	0 (0)	1 (7)	0 (0)	0 (0)	5 (7)	1 (3)	0 (0)	0 (0)	3 (18)	3 (15)	1 (5)	8 (7)	13 (7)
—	Others	0 (0)	0 (0)	1 (5)	0 (0)	0 (0)	0 (0)	1 (6)	0 (0)	2 (3)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	2 (1)
Total		18	16	46	0	14	38	52	11	195	61	16	34	33	50	37	231	426
No. of firms		5	5	21	0	5	15	18	4	73	32	8	14	17	20	19	110	183 (100)

(2) The conditions that are important for establishment of R&D site or technical center

Regarding the conditions that are important for establishment of R&D site or technical center (check all that apply), the predominant response was “Recruitment of competent personnel” (73%), followed by “Distance from customer and market” (38%), “Privilege such as corporate tax exemption” (30%), “Protection of intellectual property right” (26%), and “Stability of the political situation and security” (21%) (Table15-3).

(Table15-3) The conditions that are important for establishment of R&D site or technical center (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	Recruitment of competent personnel	6 (100)	6 (75)	25 (81)	6 (50)	6 (86)	32 (84)	25 (74)	12 (80)	118 (78)	9 (60)	2 (67)	0 (0)	5 (56)	3 (43)	5 (63)	24 (56)	142 (73)
2	Distance from customer and market	3 (50)	4 (50)	13 (42)	3 (25)	6 (86)	14 (37)	18 (53)	1 (7)	62 (41)	5 (33)	1 (33)	0 (0)	3 (33)	1 (14)	2 (25)	12 (28)	74 (38)
3	Privilege such as corporate tax exemption	0 (0)	0 (0)	12 (39)	3 (25)	2 (29)	11 (29)	14 (41)	4 (27)	46 (30)	5 (33)	0 (0)	0 (0)	3 (33)	1 (14)	3 (38)	12 (28)	58 (30)
4	Protection of intellectual property right	3 (50)	2 (25)	8 (26)	5 (42)	2 (29)	12 (32)	7 (21)	3 (20)	42 (28)	4 (27)	0 (0)	0 (0)	2 (22)	1 (14)	1 (13)	8 (19)	50 (26)
5	Stability of the political situation and security	1 (17)	3 (38)	9 (29)	0 (0)	3 (43)	6 (16)	5 (15)	4 (27)	31 (21)	1 (7)	1 (33)	0 (0)	4 (44)	1 (14)	2 (25)	9 (21)	40 (21)
6	Presence of joint research partner such as universities	1 (17)	1 (13)	6 (19)	3 (25)	1 (14)	3 (8)	2 (6)	3 (20)	20 (13)	3 (20)	0 (0)	0 (0)	0 (0)	1 (14)	1 (13)	5 (12)	25 (13)
—	Others	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (33)	1 (100)	0 (0)	2 (29)	0 (0)	4 (9)	4 (2)
Total		14	16	73	20	20	78	71	27	319	27	5	1	17	10	14	74	393
No. of firms		6	8	31	12	7	38	34	15	151	15	3	1	9	7	8	43	194 (100)

16. ASEAN ECONOMIC COMMUNITY (AEC)

Regarding the expectation for implementation of the AEC items (check all that apply), the predominant response was “Simplified customs clearance (Unified customs declaration and introduction of a single window system for import and export)” (56%), followed by “Elimination of import tariffs in CLMV” (49 %), “Uniformity of interpretation and management concerning the rules of origin” (31 %) and “Avoidance of double taxation and correction of uneven withholding tax rates” (25%). In the Non-manufacturing sector, “Relaxation of foreign ownership control in the service sector (ASEAN corporations at most 70%)” (34%) and “Infrastructure development in the CLMV” (29%) were also high.

(Table16) Expectation for implementation of the AEC (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)	5 (71)	4 (40)	23 (64)	11 (44)	7 (47)	38 (67)	32 (62)	15 (58)	135 (59)	39 (70)	5 (71)	2 (12)	6 (27)	20 (71)	8 (28)	80 (50)	215 (56)
2	Elimination of import tariffs in CLMV	5 (71)	5 (50)	13 (36)	10 (40)	9 (60)	32 (56)	27 (52)	15 (58)	116 (51)	38 (68)	4 (57)	5 (29)	6 (27)	13 (46)	9 (31)	75 (47)	191 (49)
3	Uniformity of interpretation and management concerning the rules of origin	2 (29)	5 (50)	16 (44)	3 (12)	3 (20)	28 (49)	20 (38)	11 (42)	88 (39)	20 (36)	1 (14)	0 (0)	1 (5)	8 (29)	2 (7)	32 (20)	120 (31)
4	Avoidance of double taxation and correction of uneven withholding tax rates	1 (14)	1 (10)	9 (25)	2 (8)	7 (47)	19 (33)	13 (25)	6 (23)	58 (25)	15 (27)	3 (43)	4 (24)	5 (23)	7 (25)	5 (17)	39 (25)	97 (25)
5	Free movement of skilled labor	2 (29)	3 (30)	10 (28)	7 (28)	5 (33)	13 (23)	15 (29)	5 (19)	60 (26)	6 (11)	1 (14)	3 (18)	11 (50)	7 (25)	7 (24)	35 (22)	95 (25)
6	Infrastructure development in the CLMV	0 (0)	3 (30)	5 (14)	6 (24)	1 (7)	14 (25)	9 (17)	8 (31)	46 (20)	16 (29)	3 (43)	5 (29)	3 (14)	12 (43)	7 (24)	46 (29)	92 (24)
7	Reduction of non-tariff barriers (license requirements and mandatory standards)	1 (14)	0 (0)	3 (8)	3 (12)	3 (20)	18 (32)	12 (23)	8 (31)	48 (21)	16 (29)	3 (43)	5 (29)	1 (5)	6 (21)	6 (21)	37 (23)	85 (22)
8	Introduction of standardization, certification and labeling system standards for the ASEAN nations	1 (14)	3 (30)	9 (25)	0 (0)	3 (20)	16 (28)	12 (23)	5 (19)	49 (21)	15 (27)	3 (43)	1 (6)	1 (5)	6 (21)	9 (31)	35 (22)	84 (22)
9	Relaxation of foreign ownership control in the service sector (ASEAN corporations at most 70%)	2 (29)	0 (0)	4 (11)	0 (0)	1 (7)	5 (9)	2 (4)	0 (0)	14 (6)	13 (23)	3 (43)	8 (47)	2 (9)	16 (57)	12 (41)	54 (34)	68 (18)
10	Establishment of an environment for fair competition in the region	1 (14)	2 (20)	7 (19)	5 (20)	2 (13)	7 (12)	11 (21)	3 (12)	38 (17)	9 (16)	3 (43)	4 (24)	4 (18)	6 (21)	3 (10)	29 (18)	67 (17)
11	Further deregulation of capital transfers	3 (43)	1 (10)	3 (8)	1 (4)	3 (20)	6 (11)	3 (6)	3 (12)	23 (10)	10 (18)	2 (29)	12 (71)	7 (32)	4 (14)	4 (14)	39 (25)	62 (16)
12	Deregulation of investment by ASEAN corporations in manufacturing, mining, agriculture and forestry industries	2 (29)	1 (10)	3 (8)	1 (4)	2 (13)	14 (25)	9 (17)	5 (19)	37 (16)	9 (16)	0 (0)	2 (12)	2 (9)	3 (11)	2 (7)	18 (11)	55 (14)
13	Improvement of intellectual property rights-related system	1 (14)	1 (10)	4 (11)	2 (8)	2 (13)	7 (12)	5 (10)	3 (12)	25 (11)	5 (9)	2 (29)	0 (0)	1 (5)	1 (4)	5 (17)	14 (9)	39 (10)
14	Harmonization of policies within the region (e.g. fair competition, consumer protection)	0 (0)	1 (10)	3 (8)	1 (4)	1 (7)	3 (5)	3 (6)	1 (4)	13 (6)	4 (7)	2 (29)	3 (18)	0 (0)	2 (7)	2 (7)	13 (8)	26 (7)
—	Others	0 (0)	0 (0)	0 (0)	0 (0)	1 (7)	0 (0)	1 (2)	0 (0)	2 (1)	0 (0)	1 (14)	0 (0)	2 (9)	0 (0)	1 (3)	4 (3)	6 (2)
Total		26	30	112	52	50	220	174	88	752	215	36	54	52	111	82	550	1,302
No. of firms		7	10	36	25	15	57	52	26	228	56	7	17	22	28	29	159	387 (100)

17. REGIONAL COMPREHENSIVE ECONOMIC PARTNERSHIP (RCEP)

※The 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 the ASEAN Leaders' meeting in November 2012. The member nations are continuing negotiations, aiming to reach agreement before the end of 2015. It is expected that, as a significant step before conclusion of the RCEP, the member nations will achieve a consensus on the method and standard of liberalization in major areas, including goods, services, and investments, at Economic Ministers meeting to be held in the summer 2014.

Regarding the expectation for implementation of the items under consideration by the RCEP (check all that apply), the predominant response was “Improvement of various systems (Transparency of customs clearance, relaxation of issue of work permits/visa, etc.)” (56%), followed by “High level of liberalization in terms of item numbers and trade volume” (38%), “Relaxation or elimination of non-tariff barriers” (32%).

By industry, the other major response by the manufacturing sector was “Relaxation or elimination of the barriers for foreign capitals” (35%), and in the non-manufacturing sector, “Introduction of user-friendly rules of origin” (46%) (Table17).

(Table17) 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	Retailing	Finance/Insurance	Construction/Civil engineering	Transportation/Communications	Others	Non-manufacturing total	
1	Improvement of various systems (Transparency of customs clearance, relaxation of issue of work permits/visa, etc.)	3 (43)	6 (60)	15 (43)	18 (75)	13 (87)	38 (68)	32 (60)	17 (63)	142 (63)	34 (63)	6 (86)	1 (6)	4 (19)	15 (60)	12 (40)	72 (47)	214 (56)
2	High level of liberalization in terms of item numbers and trade volume	5 (71)	4 (40)	19 (54)	4 (17)	7 (47)	31 (55)	24 (45)	8 (30)	102 (45)	23 (43)	1 (14)	0 (0)	2 (10)	11 (44)	5 (17)	42 (27)	144 (38)
3	Relaxation or elimination of non-tariff barriers	3 (43)	2 (20)	8 (23)	3 (13)	6 (40)	25 (45)	18 (34)	8 (30)	73 (32)	28 (52)	4 (57)	4 (24)	1 (5)	7 (28)	4 (13)	48 (31)	121 (32)
4	Standardization of the certificate of origin in 16 countries	3 (43)	5 (50)	11 (31)	4 (17)	7 (47)	23 (41)	14 (26)	8 (30)	75 (33)	17 (31)	1 (14)	4 (24)	7 (33)	6 (24)	10 (33)	45 (29)	120 (31)
5	Introduction of user-friendly rules of origin	2 (29)	0 (0)	7 (20)	0 (0)	3 (20)	10 (18)	7 (13)	3 (11)	32 (14)	18 (33)	3 (43)	14 (82)	11 (52)	13 (52)	12 (40)	71 (46)	103 (27)
6	Relaxation or elimination of the barriers for foreign ownership	3 (43)	2 (20)	14 (40)	4 (17)	6 (40)	25 (45)	18 (34)	7 (26)	79 (35)	12 (22)	3 (43)	0 (0)	1 (5)	5 (20)	1 (3)	22 (14)	101 (27)
7	Participation by all the relevant countries, including ASEAN and Japan, China, South Korea, India, Australia and New Zealand	3 (43)	5 (50)	6 (17)	8 (33)	3 (20)	11 (20)	14 (26)	6 (22)	56 (25)	10 (19)	2 (29)	5 (29)	5 (24)	8 (32)	2 (7)	32 (21)	88 (23)
8	Relaxation or elimination of investment restrictions	1 (14)	2 (20)	3 (9)	3 (13)	4 (27)	12 (21)	9 (17)	9 (33)	43 (19)	7 (13)	3 (43)	2 (12)	6 (29)	9 (36)	7 (23)	34 (22)	77 (20)
9	Relaxation or elimination of service trade barriers	2 (29)	1 (10)	7 (20)	0 (0)	3 (20)	7 (13)	2 (4)	5 (19)	27 (12)	13 (24)	3 (43)	10 (59)	1 (5)	7 (28)	8 (27)	42 (27)	69 (18)
10	Improvement of intellectual property rights	1 (14)	2 (20)	4 (11)	2 (8)	3 (20)	6 (11)	8 (15)	3 (11)	29 (13)	3 (6)	1 (14)	0 (0)	0 (0)	1 (4)	3 (10)	8 (5)	37 (10)
11	Accumulation of added value resulting from the rules of origin	1 (14)	0 (0)	9 (26)	0 (0)	3 (20)	7 (13)	5 (9)	2 (7)	27 (12)	3 (6)	1 (14)	0 (0)	1 (5)	4 (16)	1 (3)	10 (6)	37 (10)
12	Economic and technical cooperation for reducing any development gap among member countries	1 (14)	0 (0)	1 (3)	1 (4)	0 (0)	1 (2)	2 (4)	2 (7)	8 (4)	2 (4)	1 (14)	0 (0)	0 (0)	3 (12)	0 (0)	6 (4)	14 (4)
—	Others	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (2)	0 (0)	0 (0)	2 (10)	0 (0)	2 (7)	5 (3)	5 (1)
Total		28	29	104	47	58	196	153	78	693	171	29	40	41	89	67	437	1,130
No. of firms		7	10	35	24	15	56	53	27	227	54	7	17	21	25	30	154	381 (100)