

Summary

Survey on Business Sentiment of Japanese Corporations in Thailand

For the 2nd Half of 2020

<Introduction of the Survey>

JCCB, Japanese Chamber of Commerce Bangkok, has been conducting survey on business sentiment of Japanese corporations in Thailand twice a year for 50 years, since 1971. This survey is the only comprehensive data reflecting the business situation of Japanese corporations in Thailand.

- The survey period was from November 16 to December 18, 2020.
- The questionnaires were handed out to 1,702 JCCB members, of which 607 companies responded (35.7%).
- Press release date: January 26, 2021

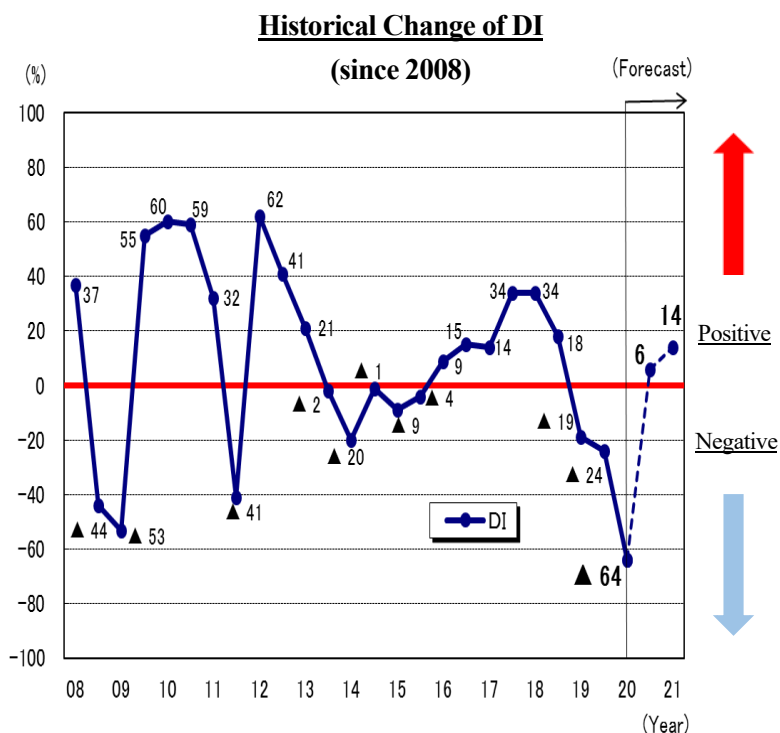
1. Business Sentiment Illustrated by DI (Diffusion Index)

- The business sentiment (DI) is **▲64** in the first half of 2020, **6** in the second half of 2020 (forecast), and **14** in the first half of 2021 (forecast). The DI forecast for the second half of 2020 demonstrates a significant improvement from the first half of 2020 (▲64→6).
- Despite the harsh conditions resulting from the impacts of the Covid-19, a movement towards recovery can be observed as the business sentiment (DI) in many industries has rebounded to the positive values. The DI is expected to recover even further (6→14) in the first half of 2021.

Industry	Current survey			No. of firms			
	Result		Forecast				
	20H1	20H2					
Manufacturing	Food	-11	0	28	18		
	Textile	-82	10	18	11		
	Chemical	-39	23	28	54		
	Steel/Non-ferrous metal	-92	50	35	40		
	General machinery	-65	4	16	32		
	Electrical/Electronic machinery	-64	10	18	49		
	Transportation machinery	-99	54	26	67		
	Others	-49	-12	17	41		
Manufacturing sector total				-66	23	24	312
Non-manufacturing	Trading	-66	7	26	99		
	Retail	-39	23	-8	13		
	Finance/Insurance/Securities	-57	-22	0	28		
	Construction/Civil engineering	-61	-51	-35	41		
	Transportation/Communication	-62	13	9	37		
	Others	-60	-28	-3	77		
	Non-manufacturing sector total				-61	-11	4
Total				-64	6	14	607

H1: The first half of the year, H2: The second half of the year

For the first half of 2021
“Improving” (39%), “No change” (36%), “Deteriorating” (25%)
<u>39% - 25% = DI 14</u>



	2020		2021
	H1	H2	H1
Improving (%)	11	45	39
No change (%)	14	16	36
Deteriorating (%)	75	39	25
(Ref.) DI (pt)	▲64	6	14

<What is DI?>

◆ DI (Diffusion Index):

A comparison of business performance in a six-month term with its previous term

DI = the percentage of those answered "improving" — (minus) the percentage of those answered "deteriorating"

2. Capital Investment (Manufacturing Sector)

- The percentage of the firms anticipating “Increase” in their capital investments in 2021 is 34%, whereas 28% of them anticipated “No change” and 25% anticipated “Decrease”.

Industry	No. of firms and (%)				
	Increase	No change	Decrease	Undecided	Total
Food	5 (28)	7 (39)	5 (28)	1 (6)	18
Textile	4 (36)	0 (0)	4 (36)	3 (27)	11
Chemical	24 (45)	12 (23)	10 (19)	7 (13)	53
Steel/Non-ferrous metal	11 (28)	13 (33)	13 (33)	3 (8)	40
General machinery	7 (22)	11 (34)	8 (25)	6 (19)	32
Electrical/Electronic machinery	19 (40)	12 (26)	12 (26)	4 (9)	47
Transportation machinery	21 (33)	19 (30)	16 (25)	8 (13)	64
Others	13 (32)	12 (29)	9 (22)	7 (17)	41
Manufacturing sector total	104 (34)	86 (28)	77 (25)	39 (13)	306
Results from the Previous Survey (First Half of 2020)	69 (21)	53 (16)	172 (53)	29 (9)	323

(Note) Year-to-year comparison

3. Export and Potential Export Markets in the Future

3.1 Export Trend in the First Half of 2021 (January-June)

- The percentage of the firms anticipating “Increase” in their exports in the first half of 2021 totaled 41%, while 43% anticipated “No change” and 16% anticipated “Decrease”.

Industry	No. of firms and (%)									
	Increase			No change	Decrease			No. of firms		
More than 20%	10-20%	Less than 10%	Less than 10%		10-20%	More than 20%				
Food	4 (24)	0 (0)	2 (12)	2 (12)	9 (53)	4 (24)	2 (12)	2 (12)	0 (0)	17
Textile	3 (30)	2 (20)	1 (10)	0 (0)	5 (50)	2 (20)	1 (10)	0 (0)	1 (10)	10
Chemical	27 (53)	5 (10)	14 (27)	8 (16)	15 (29)	9 (18)	4 (8)	2 (4)	3 (6)	51
Steel/Non-ferrous metal	15 (42)	2 (6)	3 (8)	10 (28)	16 (44)	5 (14)	2 (6)	1 (3)	2 (6)	36
General machinery	14 (50)	3 (11)	4 (14)	7 (25)	12 (43)	2 (7)	0 (0)	2 (7)	0 (0)	28
Electrical/Electronic machinery	19 (48)	5 (13)	8 (20)	6 (15)	16 (40)	5 (13)	1 (3)	3 (8)	1 (3)	40
Transportation machinery	26 (46)	5 (9)	11 (19)	10 (18)	21 (37)	10 (18)	5 (9)	2 (4)	3 (5)	57
Others	13 (35)	2 (5)	7 (19)	4 (11)	16 (43)	8 (22)	3 (8)	4 (11)	1 (3)	37
Manufacturing sector total	121 (44)	24 (9)	50 (18)	47 (17)	110 (40)	45 (16)	18 (7)	16 (6)	11 (4)	276
Trading	34 (40)	8 (9)	8 (9)	18 (21)	42 (49)	10 (12)	4 (5)	4 (5)	2 (2)	86
Retail	1 (17)	0 (0)	0 (0)	1 (17)	5 (83)	0 (0)	0 (0)	0 (0)	0 (0)	6
Construction/Civil engineering	1 (13)	0 (0)	1 (13)	0 (0)	6 (75)	1 (13)	0 (0)	0 (0)	1 (13)	8
Others	2 (18)	0 (0)	1 (9)	1 (9)	5 (45)	4 (36)	3 (27)	0 (0)	1 (9)	11
Non-manufacturing sector total	38 (34)	8 (7)	10 (9)	20 (18)	58 (52)	15 (14)	7 (6)	4 (4)	4 (4)	111
Total	159 (41)	32 (8)	60 (16)	67 (17)	168 (43)	60 (16)	25 (6)	20 (5)	15 (4)	387
Results from the Previous Survey (First Half of 2020)	63 (16)	17 (4)	18 (4)	28 (7)	126 (31)	212 (53)	40 (10)	46 (11)	126 (31)	401

(Note) Year-to-year comparison

3.2 Potential Export Markets in the Future (multiple answers)

- “Vietnam” (48%) ranks first on the list of future potential export markets from Thailand, followed by “India” (32%), “Indonesia” (25%), and “Myanmar” (24%), respectively.

Country/Region	No. of firms and (%)																
	Vietnam	India	Indonesia	Myanmar	Japan	China	USA	Philippines	Malaysia	Cambodia	Europe	Laos	Bangladesh	Africa	Pakistan	Total	No. of firms
Manufacturing	115 (43)	90 (33)	76 (28)	58 (21)	55 (20)	52 (19)	51 (19)	38 (14)	38 (14)	32 (12)	39 (14)	16 (6)	13 (5)	13 (5)	13 (5)	749	270
Non-manufacturing	69 (61)	34 (30)	19 (17)	35 (31)	23 (20)	14 (12)	7 (6)	15 (13)	15 (13)	15 (13)	2 (2)	11 (10)	9 (8)	5 (4)	3 (3)	293	113
Total	184 (48)	124 (32)	95 (25)	93 (24)	78 (20)	66 (17)	58 (15)	53 (14)	53 (14)	47 (12)	41 (11)	27 (7)	22 (6)	18 (5)	16 (4)	1,042	383
Current survey	1	2	3	4	5	6	7	8	8	10	11	12	13	14	15		
Last survey	1	2	3	4	5	7	9	10	8	6	12	11	14	13	16		
The survey before last	1	2	3	4	5	9	8	6	7	10	12	11	13	14	15		

(Note) Ranks up to top 15

4. Exchange Rates Used in Business Planning

4.1 Thai Baht/US Dollar

- Regarding the exchange rates used in business planning (Thai Baht/US Dollar), the predominant rates used are in a range between “No less than 31.0 but less than 31.5” (28.7%), followed by “No less than 31.5 but less than 32.0” (16.2%), with the median rate at 31.20 baht/US dollar. In the previous survey, however, the predominant answers were in a range between “No less than 32.0 but less than 32.5” (20.7%), followed by “No less than 31.0 but less than 31.5” (16.9%), which indicates that some companies have adjusted their exchange rates settings.

Industry Baht/US Dollar	Thai Baht/US Dollar, No. of firms, and (%)														Total from the Previous Survey (First Half of 2020)
	Food	Textile	Chemical	Manufacturing					Non-manufacturing				Total		
				Steel/Non-ferrous metal	General machinery	Electrical/Electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retail	Others	Non-manufacturing sector total		
No 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)	0 (0.0)
No less than 29.5 but less than 30.0	0	0	1	0	0	1	0	2	4	0	0	0	0	4 (1.5)	2 (0.7)
No less than 30.0 but less than 30.5	1	3	4	1	3	5	5	1	23	5	1	1	7	30 (11.0)	45 (15.3)
No less than 30.5 but less than 31.0	4	1	6	2	0	11	8	2	34	9	0	0	9	43 (15.8)	29 (9.8)
No less than 31.0 but less than 31.5	1	3	12	8	10	9	10	6	59	17	1	1	19	78 (28.7)	50 (16.9)
No less than 31.5 but less than 32.0	3	0	3	10	3	4	6	5	34	9	0	1	10	44 (16.2)	43 (14.6)
No less than 32.0 but less than 32.5	1	0	3	3	2	0	4	4	17	5	2	0	7	24 (8.8)	61 (20.7)
No less than 32.5 but less than 33.0	1	0	7	2	3	4	4	5	26	8	0	4	12	38 (14.0)	48 (16.3)
No less than 33.0 but less than 33.5	0	0	2	1	1	0	1	1	6	4	0	0	4	10 (3.7)	13 (4.4)
No less than 33.5 but less than 34.0	0	0	0	0	0	0	0	0	0	1	0	0	1	1 (0.4)	4 (1.4)
No less than 34.0 but less than 34.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0 (0.0)	0 (0.0)
No 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)	0 (0.0)
No 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)	0 (0.0)
No 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)	0 (0.0)
No 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)	0 (0.0)
No 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)	0 (0.0)
No 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)	0 (0.0)
No 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)	0 (0.0)
No 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)	0 (0.0)
No. of firms	11	7	38	27	22	34	38	26	203	58	4	7	69	272	295
Average	31.18	30.50	31.35	31.45	31.44	31.02	31.28	31.49	31.29	31.44	31.30	31.86	31.48	31.38	31.60
Median	31.00	30.50	31.00	31.50	31.40	30.95	31.15	31.50	31.20	31.30	31.50	32.50	31.30	31.20	31.50
Mode	31.50	30.00	31.00	31.50	31.00	30.20	31.00	32.50	31.00	31.00	32.00	32.50	31.00	31.00	32.00

(Note) Median is the value located at the center of the data distribution, which would exclude any deviation resulting from the number of respondents or the irregular low/high values as much as possible. Mode is the value most cited by the respondents and #N/A (Not Applicable) indicates that all respondents' values differ.

4.2 Japanese Yen/Thai Baht

- Regarding the exchange rates used in business planning (Japanese Yen/Thai Baht), the predominant rates used are in a range between “No less than 3.4 but less than 3.5” (42.5%), followed by “No less than 3.5 but less than 3.6” (29.1%), with the median rate at 3.40 yen/baht. In the previous survey, however, the predominant answers fell in a range between “No less than 3.5 but less than 3.6” (39.1%), followed by “No less than 3.4 but less than 3.5” (22.3%), which implies that some companies have adjusted their exchange rate settings.

Industry Yen/Baht	Japanese Yen/Thai Baht, No. of firms, and (%)														Total from the Previous Survey (First Half of 2020)
	Food	Textile	Chemical	Manufacturing					Non-manufacturing				Total		
				Steel/Non-ferrous metal	General machinery	Electrical/Electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retail	Others	Non-manufacturing sector total		
No 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)	0 (0.0)
No less than 2.7 but less than 2.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0 (0.0)	0 (0.0)
No less than 2.8 but less than 2.9	0	0	0	0	0	0	0	0	0	1	0	0	1	1 (0.3)	1 (0.3)
No less than 2.9 but less than 3.0	0	0	0	0	0	0	0	1	1	0	0	0	0	1 (0.3)	3 (0.8)
No less than 3.0 but less than 3.1	0	0	0	0	1	1	0	0	2	0	0	0	0	2 (0.5)	3 (0.8)
No less than 3.1 but less than 3.2	0	0	0	0	0	0	0	0	0	0	0	0	0	0 (0.0)	2 (0.5)
No less than 3.2 but less than 3.3	0	0	3	1	2	0	3	1	10	5	0	1	6	16 (4.3)	16 (4.3)
No less than 3.3 but less than 3.4	1	2	9	7	5	7	10	5	46	21	1	5	27	73 (19.5)	82 (22.0)
No less than 3.4 but less than 3.5	5	6	21	12	11	18	30	15	118	29	3	9	41	159 (42.5)	83 (22.3)
No less than 3.5 but less than 3.6	7	2	13	11	8	8	13	13	75	25	2	7	34	109 (29.1)	146 (39.1)
No less than 3.6 but less than 3.7	0	1	0	2	0	4	0	1	8	3	1	1	5	13 (3.5)	37 (9.9)
No less than 3.7 but less than 3.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0 (0.0)	0 (0.0)
No less than 3.8 but less than 3.9	0	0	0	0	0	0	0	0	0	0	0	0	0	0 (0.0)	0 (0.0)
No less than 3.9 but less than 4.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0 (0.0)	0 (0.0)
No less than 4.0 but less than 4.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0 (0.0)	0 (0.0)
No. of firms	13	11	46	33	27	38	56	36	260	84	7	23	114	374	373
Average	3.45	3.42	3.40	3.42	3.38	3.41	3.39	3.41	3.40	3.39	3.44	3.41	3.40	3.40	3.41
Median	3.50	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40
Mode	3.50	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.50

(Note) Median is the value located at the center of the data distribution, which would exclude any deviation resulting from the number of respondents or the irregular low/high values as much as possible. Mode is the value most cited by the respondents and #N/A (Not Applicable) indicates that all respondents' values differ.

5. Challenges for Corporate Management (multiple answers)

- For the Japanese companies, the predominant challenge is “Severe competition with competitors” (74%), followed by “Increase of total labor cost” (45%) and “Sluggish domestic demand” (36%).
- Other popular choices for firms in the manufacturing sector are “Surge in material prices” (37%) and “Shortage of engineers” (34%), while many companies in the non-manufacturing sector also cited “Changes in products/users’ needs” (31%) as a challenge.
- “Measures to address the impacts of the Covid-19” was ranked second in the previous survey (the first half of 2020), however, it has dropped to the eighth position in this survey.

		No. of firms and (%)				
Previous survey	Current survey	Challenges for Corporate Management	Manufacturing		Non-manufacturing	Total
1	1	Severe competition with competitors	232	(75)	208 (72)	440 (74)
3	2	Increase of total labor cost	160	(52)	109 (38)	269 (45)
4	3	Sluggish domestic demand	93	(30)	125 (43)	218 (36)
5	4	Changes in products/users’ needs	93	(30)	89 (31)	182 (30)
8	5	Quality management	103	(33)	43 (15)	146 (24)
7	6	Shortage of engineers	106	(34)	38 (13)	144 (24)
12	7	Surge in material prices	113	(37)	30 (10)	143 (24)
2	8	Measures to address the impacts of the Covid-19	70	(23)	65 (22)	135 (23)
6	9	Fluctuation of foreign exchange rates	82	(27)	35 (12)	117 (20)
9	10	Enhancement of business efficiency through digitalization	59	(19)	58 (20)	117 (20)
Total			1,395		1,032	2,427
No. of firms			309		289	598

(Note) Ranks up to top 10

6. Requests to the Thai Government

6.1 Requests to the Thai Government (multiple answers)

- “Promotion of economic stimulus measures (e.g. public infrastructure development)” (56%) is a measure most requested by the responding companies, followed by “Customs-related systems and their implementation” (38%) and “Implementation of measures to address the impacts of the Covid-19” (35%).
- “Stabilization of foreign exchange rates” (41%) and “Implementation of tax-related systems (e.g. Corporate Income Tax)” (35%) are also popular among the manufacturing sector, while “Relaxation of the Foreign Business Act” (35%) is also a predominant request among the non-manufacturing sector.

		No. of firms and (%)				
Previous survey	Current survey	Requests to the Thai Government	Manufacturing		Non-manufacturing	Total
1	1	Promotion of economic stimulus measures (e.g. public infrastructure development)	175	(57)	157 (55)	332 (56)
3	2	Customs-related systems and their implementation	135	(44)	93 (32)	228 (38)
2	3	Implementation of measures to address the impacts of the Covid-19	112	(37)	96 (33)	208 (35)
5	4	Implementation of tax-related systems (e.g. Corporate Income Tax)	108	(35)	83 (29)	191 (32)
4	5	Stabilization of foreign exchange rates	126	(41)	47 (16)	173 (29)
6	6	Development of transportation infrastructure in the Bangkok metropolitan area	81	(27)	89 (31)	170 (29)
8	7	Relaxation of the Foreign Business Act	58	(19)	101 (35)	159 (27)
11	8	Maintenance of public security and safety	88	(29)	65 (23)	153 (26)
7	9	Work permit/visa-related issues	43	(14)	89 (31)	132 (22)
9	10	Promotion of economic ties (e.g. FTA, EPA, etc.)	79	(26)	51 (18)	130 (22)
Total			1,389		1,150	2,539
No. of firms			305		288	593

(Note) Ranks up to top 10

6.2 Recent Improvement in Investment Environment

(Policy Evaluation, multiple answers)

- The policy area that most of the Japanese firms recognized some improvement recently is the “Measures to address the impacts of the Covid-19” (41%), followed by “Development of transportation infrastructure in the Bangkok metropolitan area” (28%), “Work permit/visa-related issues” (16%), and “Promotion of economic stimulus measures (e.g. public infrastructure development)” (15%).

		No. of firms and (%)			
Previous survey	Current survey	Recent Policy Improvement	Manufacturing	Non-manufacturing	Total
1	1	Measures to address the impacts of the Covid-19	110 (42)	94 (41)	204 (41)
2	2	Development of transportation infrastructure in the Bangkok metropolitan area	69 (26)	71 (31)	140 (28)
3	3	Work permit/visa-related issue	53 (20)	28 (12)	81 (16)
5	4	Promotion of economic stimulus measures (e.g. public infrastructure development)	36 (14)	39 (17)	75 (15)
7	5	Promotion of economic ties (e.g. FTA, EPA, etc.)	30 (11)	26 (11)	56 (11)
6	6	Stabilization of foreign exchange rates	22 (8)	21 (9)	43 (9)
4	7	Maintenance of public security and safety	16 (6)	24 (10)	40 (8)
11	8	Implementation of flood prevention measures	26 (10)	5 (2)	31 (6)
10	9	Implementation of tax-related systems (e.g. Corporate Income Tax)	17 (6)	13 (6)	30 (6)
9	10	Customs-related systems and their implementation	13 (5)	11 (5)	24 (5)
Total			468	402	870
No. of firms			264	232	496

(Note) Ranks up to top 10

7. The Impacts of the Covid-19

7.1 The Impact on Business Performance

- Regarding the impact of the Covid-19 on business performance, most companies projected that there will be “Negative impact on sales (at least 20% but less than 50%)” (39%), while some expected “Negative impact on sales (at least 5% but less than 20%)” (37%), whereas some said there will be “No impact” (9%).

		No. of firms and (%)		
Ranking	Impact on Business Performance	Manufacturing	Non-manufacturing	Total
1	Negative impact on sales (at least 20% but less than 50%)	134 (44)	98 (34)	232 (39)
2	Negative impact on sales (at least 5% but less than 20%)	108 (35)	110 (38)	218 (37)
3	No impact	23 (8)	29 (10)	52 (9)
4	Negative impact on sales (at least 1% but less than 5%)	21 (7)	21 (7)	42 (7)
5	Negative impact on sales (50% or more)	6 (2)	18 (6)	24 (4)
6	Positive impact	12 (4)	6 (2)	18 (3)
7	Unable to predict at the moment	1 (0)	9 (3)	10 (2)
Total		305	291	596

(Reference) The result of the Survey on Business Sentiment of Japanese Corporations in Thailand for the First Half of 2020 (released on June 30, 2020)

- ① Negative impact on sales (at least 20% but less than 50%) 48%
 ② Negative impact on sales (at least 5% but less than 20%) 27%

The result of the second Emergency Survey on the Impact of the Covid-19 (released on March 25, 2020)

- ① Some negative impact 48%
 ② Significant negative impact on sales (at least 5%) 32%

7.2 Outlook on the Recovery of Business Activity to the Pre-Pandemic Level

- The majority of the respondents anticipated that their business activities would return to the level before the Covid-19 outbreak in the “Second half of 2021” (31%), while some expected the recovery in the “First half of 2022” (26%) and the “Second half of 2022” (12%).

Ranking	Outlook on the Recovery of Business Activity	No. of firms and (%)		
		Manufacturing	Non-manufacturing	Total
1	Second half of 2021	89 (29)	96 (33)	185 (31)
2	First half of 2022	69 (23)	87 (30)	156 (26)
3	Second half of 2022	31 (10)	38 (13)	69 (12)
4	2023 onwards	38 (12)	25 (9)	63 (11)
5	Uncertain	28 (9)	17 (6)	45 (8)
6	Already returned to the level before the outbreak or at a better level than the business prior to the outbreak	30 (10)	10 (3)	40 (7)
7	First half of 2021	21 (7)	16 (6)	37 (6)
Total		306	289	595

7.3 Necessary Measures in the Future (multiple answers)

- Taking the impacts of the Covid-19 into account, “Cost reduction (except for labor costs)” (61%) is most cited by the companies as a measure that will be necessary in the future, followed by “Market development” (60%) and “Labor cost reduction” (48%).

Ranking	Necessary Measures in the Future	No. of firms and (%)		
		Manufacturing	Non-manufacturing	Total
1	Cost reduction (except for labor costs)	216 (72)	142 (49)	358 (61)
2	Market development	168 (56)	186 (65)	354 (60)
3	Labor cost reduction	176 (58)	106 (37)	282 (48)
4	Revision of product prices and product line-up	76 (25)	91 (32)	167 (28)
5	Change of suppliers (domestic and overseas included)	77 (25)	39 (14)	116 (20)
6	Enhancement of capital investment e.g. production transfers from other countries, automation, etc.	71 (24)	12 (4)	83 (14)
7	Obtainment of necessary financing	26 (9)	37 (13)	63 (11)
8	Utilization of the Thai and Japanese governments' assistance measures	29 (10)	26 (9)	55 (9)
9	Production adjustment due to the slowing demand	35 (12)	10 (3)	45 (8)
10	Relocation from Thailand to other countries	7 (2)	7 (2)	14 (2)
11	Others	4 (1)	9 (3)	13 (2)
Total		885	665	1,550
No. of firms		302	288	590

7.4 Requests Concerning Measures to Address the Impacts of the Covid-19 (multiple answers)

- The measure to address the impacts of the Covid-19, that is most requested by the respondents, is “Tax relief measures e.g. the reduction of various tax rates, namely personal income tax and excise tax” (66%), followed by “Simplification and introduction of online application for all procedures” (43%) and “Relaxation of entry restrictions for foreigners” (42%).

Ranking	Requests Concerning Measures to Address the Impacts of the Covid-19	No. of firms and (%)				
		Manufacturing		Non-manufacturing		Total
1	Tax relief measures e.g. the reduction of various tax rates, namely personal income tax and excise tax	198	(66)	184	(65)	382 (66)
2	Simplification and introduction of online application for all procedures	129	(43)	123	(44)	252 (43)
3	Relaxation of entry restrictions for foreigners	142	(47)	104	(37)	246 (42)
4	Relaxation of the regulations in the Foreign Business Act	74	(25)	102	(36)	176 (30)
5	Large-scale economic measures such as increasing the government spending	67	(22)	77	(27)	144 (25)
6	Subsidies for companies suffering damages from the Covid-19	78	(26)	58	(21)	136 (23)
7	Implementation of investment attraction policies such as an expansion of investment privileges	66	(22)	38	(14)	104 (18)
8	Assistance measures such as the inclusion of expenses related to the development of advanced human resources as deductible expenses	35	(12)	23	(8)	58 (10)
9	Expansion of low-interest loans provided by the Bank of Thailand through private financial institutions	31	(10)	18	(6)	49 (8)
10	Various financial support schemes that can also be used by foreign companies with majority foreign ownership	21	(7)	25	(9)	46 (8)
11	Assistance measures such as the inclusion of expenses for social contribution activities as deductible expenses	26	(9)	15	(5)	41 (7)
12	Creation of new business opportunities such as trade exhibitions	23	(8)	16	(6)	39 (7)
13	Expansion of the government’s public credit guarantee coverage	12	(4)	15	(5)	27 (5)
14	Others	3	(1)	5	(2)	8 (1)
Total		905		803		1,708
No. of firms		300		281		581

8. Digitalization

8.1 Capital Investment Related to Digitalization

- In respond to a question concerning capital investment plan related to the company’s digitalization, 39% of the companies indicated that “There is a plan to invest in digitalization”, while 61% stated that “There is no plan to invest in digitalization”.

Industry	No. of firms and (%)		
	There is a plan to invest in digitalization	There is no plan to invest in digitalization	No. of firms
Manufacturing	115 (38)	186 (62)	301
Non-manufacturing	114 (40)	172 (60)	286
Total	229 (39)	358 (61)	587

8.2 Obstructions to the Company's Digitalization (multiple answers)

- “Insufficient budget and resources” (48%) is most cited as a major factor impeding the company's digitalization, followed by “Shortage of personnel with appropriate skills and expertise in the organization” (40%) and “Security issues” (31%).

Ranking	Obstructions to the Company's Digitalization	No. of firms and (%)					
		Manufacturing		Non-manufacturing		Total	
1	Insufficient budget and resources	142	(49)	131	(48)	273	(48)
2	Shortage of personnel with appropriate skills and expertise in the organization	135	(46)	92	(34)	227	(40)
3	Security issues	90	(31)	83	(31)	173	(31)
4	Unable to foresee the result of introducing such system	111	(38)	58	(21)	169	(30)
5	Lack of coherent strategic vision concerning the digitalization	70	(24)	50	(18)	120	(21)
6	Organizational issues such as an absence of department responsible for the digitalization or weak internal regulations	59	(20)	55	(20)	114	(20)
7	Data privacy issues	29	(10)	38	(14)	67	(12)
8	No IT solution that is suitable for operation contents	32	(11)	28	(10)	60	(11)
9	Insufficient support from top management in Thailand branch or from the headquarter	29	(10)	19	(7)	48	(9)
10	Laws and regulations	14	(5)	14	(5)	28	(5)
11	Have not felt the necessity of digitalization	9	(3)	11	(4)	20	(4)
12	Information overload	10	(3)	8	(3)	18	(3)
13	Others	9	(3)	8	(3)	17	(3)
Total		739		595		1,334	
No. of firms		292		272		564	

8.3 Requests Concerning Digitalization Policies (multiple answers)

- As for the requests to the Thai government concerning digitalization policies, the most popular choice is “Tax privilege measures and subsidies related to digitalization” (55%), followed by “Switch to the paperless system and online system for all applications and approval procedures (in order to propel the digitalization)” (51%) and “Regulatory relaxation (creation of business-friendly environment)” (28%).

Ranking	Requests Concerning Digitalization Policies	No. of firms and (%)					
		Manufacturing		Non-manufacturing		Total	
1	Tax privilege measures and subsidies related to digitalization	179	(62)	117	(46)	296	(55)
2	Switch to the paperless system and online system for all applications and approval procedures (in order to propel the digitalization)	152	(53)	123	(48)	275	(51)
3	Regulatory relaxation (creation of business-friendly environment)	59	(20)	91	(36)	150	(28)
4	Formulation of clear rules concerning data management and security protection mechanism	71	(25)	77	(30)	148	(27)
5	Tax privilege measures and subsidies for human resource development e.g. IT education, training, or seminars	80	(28)	47	(19)	127	(23)
6	Dispatch of IT experts to the company and an establishment of IT support organization	45	(16)	26	(10)	71	(13)
7	Establishment of new IT education/training organization	29	(10)	13	(5)	42	(8)
8	Others	4	(1)	4	(2)	8	(1)
Total		619		498		1,117	
No. of firms		288		254		542	

9. Human Resource

9.1 Sentiment on Shortage or Excess of Personnel

- Regarding the firms' sentiment on a shortage or an excess of personnel, most of them stated that "There is personnel shortage in terms of quality" (57%), followed by "There is neither a shortage nor an excess of personnel both in terms of quantity and quality" (26%), and "There is an excess of personnel in terms of quantity" (11%), respectively.

Ranking	Sentiment on Shortage or Excess of Personnel	No. of firms and (%)		
		Manufacturing	Non-manufacturing	Total
1	There is personnel shortage in terms of quality	178 (59)	158 (55)	336 (57)
2	There is neither a shortage nor an excess of personnel both in terms of quantity and quality	73 (24)	83 (29)	156 (26)
3	There is an excess of personnel in terms of quantity	33 (11)	31 (11)	64 (11)
4	There is personnel shortage in terms of quantity	20 (7)	16 (6)	36 (6)
5	There is an excess of personnel in terms of quality	0 (0)	0 (0)	0 (0)
Total		304	288	592

9.2 Types of Job with Personnel Shortage (multiple answers)

- Concerning the types of job currently facing personnel shortage, "Engineer (including R&D personnel)" (53%) is most cited by the respondents, followed by "General office manager" (30%), "Sales (technical)" (27%), and "Sales (general)" (27%).

Ranking	Types of Job with Personnel Shortage	No. of firms and (%)		
		Manufacturing	Non-manufacturing	Total
1	Engineer (including R&D personnel)	170 (74)	56 (28)	226 (53)
2	General office manager	71 (31)	59 (30)	130 (30)
3	Sales (technical)	63 (27)	53 (27)	116 (27)
4	Sales (general)	38 (16)	77 (39)	115 (27)
5	IT personnel	60 (26)	44 (22)	104 (24)
6	Personnel with Japanese language skills	27 (12)	30 (15)	57 (13)
7	Staff (accounting/administrative)	22 (10)	24 (12)	46 (11)
8	Personnel with English language skills	17 (7)	20 (10)	37 (9)
9	Worker	22 (10)	9 (5)	31 (7)
10	Import/export and purchasing staff	17 (7)	9 (5)	26 (6)
Total		522	398	920
No. of firms		231	197	428

(Note) Ranks up to top 10

9.3 Types of Job with Excess of Personnel (multiple answers)

- On the other hand, "Staff (general office personnel (other than accounting/administrative staff))" (44%) is most cited by the respondents as the type of job currently facing an excess of personnel, followed by "Worker" (32%) and "Staff (accounting/administrative)" (23%).

Ranking	Types of Job with Excess of Personnel	No. of firms and (%)		
		Manufacturing	Non-manufacturing	Total
1	Staff (general office personnel (other than accounting/administrative staff))	71 (46)	49 (41)	120 (44)
2	Worker	69 (45)	19 (16)	88 (32)
3	Staff (accounting/administrative)	39 (25)	24 (20)	63 (23)
4	Sales (general)	14 (9)	19 (16)	33 (12)
5	General office manager	14 (9)	9 (8)	23 (8)
6	Engineer (including R&D personnel)	6 (4)	13 (11)	19 (7)
7	Driver	5 (3)	13 (11)	18 (7)
8	Sales (technical)	4 (3)	5 (4)	9 (3)
9	Import/export and purchasing staff	3 (2)	1 (1)	4 (1)
10	Personnel with Japanese language skills	1 (1)	1 (1)	2 (1)
Total		240	165	405
No. of firms		154	120	274

(Note) Ranks up to top 10

9.4 Requests Concerning Measures to Help Retain Current Employment and An Ability to Recruit New Employees (multiple answers)

- Regarding the requests to the Thai government concerning measures to help the companies retain employment and their ability to recruit new employees, “Wage subsidy for employment retention” (52%) is the most popular choice, followed by “Reduction or exemption of social security contributions” (38%) and “Subsidies for training” (23%).

Ranking	Requests Concerning Measures to Help Retain Current Employment and An Ability to Recruit New Employees	No. of firms and (%)		
		Manufacturing	Non-manufacturing	Total
1	Wage subsidy for employment retention	145 (52)	133 (52)	278 (52)
2	Reduction or exemption of social security contributions	115 (41)	90 (35)	205 (38)
3	Subsidies for training	81 (29)	43 (17)	124 (23)
4	Wage subsidy for employment of mid-career personnel	50 (18)	50 (20)	100 (19)
5	Relaxation of labor regulations e.g. expansion of flexible working hours for office works	48 (17)	48 (19)	96 (18)
6	Wage subsidy for employment of new graduates	44 (16)	38 (15)	82 (15)
7	Introduction of part-time system	34 (12)	32 (13)	66 (12)
8	Creation of matching opportunities for employers and jobseekers e.g. hosting job fairs	25 (9)	12 (5)	37 (7)
9	Extension of compensation payments for employees whose employers temporarily suspend their businesses	23 (8)	10 (4)	33 (6)
10	Continuation of unemployment compensation payments	21 (8)	10 (4)	31 (6)
11	Improvement of employment-related consultation channels	20 (7)	10 (4)	30 (6)
12	Others	12 (4)	13 (5)	25 (5)
Total		618	489	1,107
No. of firms		280	255	535

9.5 Types of Job Especially in Need of Personnel (Medium-Long Term Perspective, multiple answers)

- “Engineer (including R&D personnel)” (54%) is the type of occupation that will be in great demand by the companies in the future, followed by “Sales (technical)” (31%) and “General office manager” (27%).

Ranking	Types of Job Especially in Need of Personnel	No. of firms and (%)		
		Manufacturing	Non-manufacturing	Total
1	Engineer (including R&D personnel)	223 (77)	79 (29)	302 (54)
2	Sales (technical)	94 (33)	80 (30)	174 (31)
3	General office manager	72 (25)	76 (28)	148 (27)
4	Sales (general)	38 (13)	88 (33)	126 (23)
5	IT personnel	60 (21)	57 (21)	117 (21)
6	Personnel with Japanese language skills	40 (14)	37 (14)	77 (14)
7	Staff (accounting/administrative)	26 (9)	33 (12)	59 (11)
8	Personnel with English language skills	17 (6)	28 (10)	45 (8)
9	Import/export and purchasing staff	27 (9)	11 (4)	38 (7)
10	Worker	17 (6)	8 (3)	25 (4)
Total		633	517	1,150
No. of firms		288	269	557

(Note) Ranks up to top 10

9.6 Requests Concerning Human Resource Development (Medium-Long Term Perspective, multiple answers)

- As for the requests to the Thai government concerning human resource development, “Upgrading high-school/university level education and institutions” (46%) is the most popular request among the responding companies, followed by “Providing assistance in organizing internship and training outside the company” (45%) and “Providing assistance in organizing in-house training” (36%).

Ranking	Requests Concerning Human Resource Development	No. of firms and (%)		
		Manufacturing	Non-manufacturing	Total
1	Upgrading high-school/university level education and institutions	142 (51)	98 (41)	240 (46)
2	Providing assistance in organizing internship and training outside the company	137 (49)	96 (40)	233 (45)
3	Providing assistance in organizing in-house training	113 (41)	74 (31)	187 (36)
4	Providing support for vocational training during the school years through measures such as the enhancement of the internship system	65 (23)	53 (22)	118 (23)
5	Upgrading primary/secondary level education and institutions	63 (23)	40 (17)	103 (20)
6	Providing support for the establishment of internal qualification system and the acquisition of qualifications	36 (13)	30 (12)	66 (13)
7	Others	6 (2)	5 (2)	11 (2)
Total		562	396	958
No. of firms		278	241	519