

# Summary

## Survey on Business Sentiment of Japanese Corporations in Thailand

### For the 1<sup>st</sup> Half of 2021

#### <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 51 years, since 1971. This survey is the only comprehensive data reflecting the business situation of Japanese corporations in Thailand.

- The survey period was from May 10 to June 9, 2021.
- The questionnaires were handed out to 1,658 JCCB members, of which 593 companies responded (35.8%).
- Press release date: June 30, 2021

#### 1. Business Sentiment Illustrated by DI (Diffusion Index)

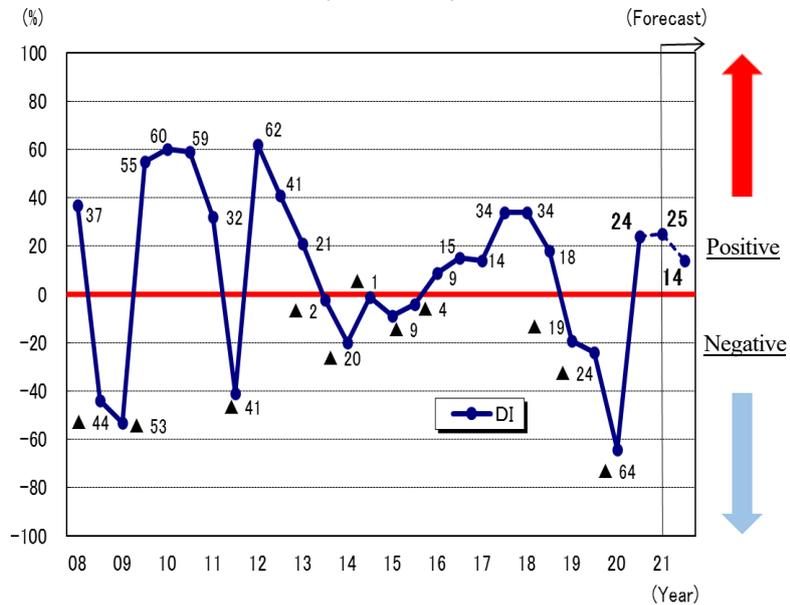
- The business sentiment (DI) is 24 in the second half of 2020, 25 in the first half of 2021 (forecast), and 14 in the second half of 2021 (forecast). The DI forecast for the first half of 2021 became increasingly positive and edges up to 25, remaining largely at the same level as the second half of 2020. Even though the impacts of the Covid-19 continue to be devastating, the movements towards recovery in the Thai and the global economy can be observed. The DI is, therefore, positive in general, especially for the manufacturing sector.
- Although the DI forecast for the second half of 2021 became less positive (25→14) due to concerns over the spread of the Covid-19, the DI value continues to be positive.

Industry	Current survey			No. of firms	
	Result	Forecast			
	20H2	21H1	21H2		
Manufacturing	Food	9	25	0	12
	Textile	38	50	38	16
	Chemical	51	34	15	53
	Steel/Non-ferrous metal	50	61	24	54
	General machinery	-4	44	17	23
	Electrical/Electronic machinery	41	10	15	41
	Transportation machinery	64	63	28	78
	Others	4	30	19	46
	<b>Manufacturing sector total</b>	<b>39</b>	<b>43</b>	<b>21</b>	<b>323</b>
Non-manufacturing	Trading	21	25	7	100
	Retail	-12	-11	0	9
	Finance/Insurance/Securities	-21	4	25	24
	Construction/Civil engineering	-40	-23	-17	35
	Transportation/Communication	45	10	8	40
	Others	-15	-15	8	62
<b>Non-Manufacturing sector total</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>270</b>	
<b>Total</b>	<b>24</b>	<b>25</b>	<b>14</b>	<b>593</b>	

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

For the second half of 2021  
 “Improving” (38%), “No change” (38%), “Deteriorating” (24%)  
**38% - 24% = DI 14**

**Historical Change of DI (since 2008)**



**Business Sentiment**

	2020	2021	
	H2	H1	H2
Improving (%)	54	50	38
No change (%)	16	25	38
Deteriorating (%)	30	25	24
<b>(Ref.) DI (pt)</b>	<b>24</b>	<b>25</b>	<b>14</b>

#### <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 40%, whereas 32% of them anticipated “No change” and 19% anticipated “Decrease”.

Industry	No. of firms and (%)				
	Increase	No change	Decrease	Undecided	Total
Food	2 (18)	5 (45)	4 (36)	0 (0)	11
Textile	8 (50)	6 (38)	1 (6)	1 (6)	16
Chemical	26 (53)	12 (24)	9 (18)	2 (4)	49
Steel/Non-ferrous metal	13 (26)	23 (46)	9 (18)	5 (10)	50
General machinery	4 (17)	11 (48)	4 (17)	4 (17)	23
Electrical/Electronic machinery	19 (48)	11 (28)	5 (13)	5 (13)	40
Transportation machinery	34 (45)	22 (29)	17 (23)	2 (3)	75
Others	18 (42)	8 (19)	9 (21)	8 (19)	43
<b>Manufacturing sector total</b>	<b>124 (40)</b>	<b>98 (32)</b>	<b>58 (19)</b>	27 (9)	307
Results from the Previous Survey (Second Half of 2020)	104 (34)	86 (28)	77 (25)	39 (13)	306

(Note) Year-to-year comparison

## 3. Export and Potential Export Markets in the Future

### 3.1 Export Trend in the Second Half of 2021 (July-December)

- The percentage of the firms anticipating “Increase” in their exports in the second half of 2021 totaled 46%, while 42% anticipated “No change” and 13% anticipated “Decrease”.

Industry	No. of firms and (%)									No. of firms
	Increase			No change	Decrease			No. of firms		
	More than 20%	10-20%	Less than 10%			Less than 10%	10-20%		More than 20%	
Food	5 (50)	0 (0)	2 (20)	3 (30)	2 (20)	3 (30)	1 (10)	1 (10)	1 (10)	10
Textile	9 (60)	1 (7)	3 (20)	5 (33)	6 (40)	0 (0)	0 (0)	0 (0)	0 (0)	15
Chemical	28 (62)	4 (9)	11 (24)	13 (29)	13 (29)	4 (9)	1 (2)	3 (7)	0 (0)	45
Steel/Non-ferrous metal	16 (36)	5 (11)	9 (20)	2 (5)	26 (59)	2 (5)	1 (2)	1 (2)	0 (0)	44
General machinery	9 (45)	3 (15)	5 (25)	1 (5)	5 (25)	6 (30)	1 (5)	2 (10)	3 (15)	20
Electrical/Electronic machinery	17 (47)	8 (22)	4 (11)	5 (14)	13 (36)	6 (17)	3 (8)	1 (3)	2 (6)	36
Transportation machinery	43 (61)	20 (29)	13 (19)	10 (14)	19 (27)	8 (11)	6 (9)	2 (3)	0 (0)	70
Others	19 (48)	5 (13)	8 (20)	6 (15)	15 (38)	6 (15)	2 (5)	2 (5)	2 (5)	40
<b>Manufacturing sector total</b>	<b>146 (52)</b>	<b>46 (16)</b>	<b>55 (20)</b>	<b>45 (16)</b>	<b>99 (35)</b>	<b>35 (13)</b>	<b>15 (5)</b>	<b>12 (4)</b>	<b>8 (3)</b>	<b>280</b>
Trading	25 (30)	3 (4)	13 (16)	9 (11)	48 (59)	9 (11)	4 (5)	3 (4)	2 (2)	82
Retail	2 (50)	0 (0)	1 (25)	1 (25)	2 (50)	0 (0)	0 (0)	0 (0)	0 (0)	4
Construction/Civil engineering	0 (0)	0 (0)	0 (0)	0 (0)	3 (75)	1 (25)	1 (25)	0 (0)	0 (0)	4
Others	1 (8)	0 (0)	0 (0)	1 (8)	8 (67)	3 (25)	0 (0)	1 (8)	2 (17)	12
<b>Non-manufacturing sector total</b>	<b>28 (27)</b>	<b>3 (3)</b>	<b>14 (14)</b>	<b>11 (11)</b>	<b>61 (60)</b>	<b>13 (13)</b>	<b>5 (5)</b>	<b>4 (4)</b>	<b>4 (4)</b>	<b>102</b>
<b>Total</b>	<b>174 (46)</b>	<b>49 (13)</b>	<b>69 (18)</b>	<b>56 (15)</b>	<b>160 (42)</b>	<b>48 (13)</b>	20 (5)	16 (4)	12 (3)	382
Results from the Previous Survey (Second Half of 2020)	159 (41)	32 (8)	60 (16)	67 (17)	168 (43)	60 (16)	25 (6)	20 (5)	15 (4)	387

(Note) Year-to-year comparison

### 3.2 Potential Export Markets in the Future (multiple answers)

- “Vietnam” (47%) ranks first on the list of future potential export markets from Thailand, followed by “India” (32%), “Indonesia” (29%), and “China” (21%), respectively.

Country/ Region	No. of firms and (%)																Total	No. of firms
	Vietnam	India	Indonesia	China	USA	Japan	Cambodia	Malaysia	Myanmar	Philippines	Europe	Laos	Bangladesh	Middle East	Oceania			
Manufacturing	112 (42)	85 (32)	76 (29)	65 (24)	62 (23)	47 (18)	35 (13)	29 (11)	30 (11)	30 (11)	38 (14)	21 (8)	10 (4)	13 (5)	15 (6)	716	266	
Non-manufacturing	58 (60)	32 (33)	28 (29)	12 (13)	7 (7)	16 (17)	16 (17)	14 (15)	12 (13)	9 (9)	1 (1)	9 (9)	6 (6)	3 (3)	0 (0)	245	96	
<b>Total</b>	<b>170 (47)</b>	<b>117 (32)</b>	<b>104 (29)</b>	<b>77 (21)</b>	<b>69 (19)</b>	<b>63 (17)</b>	<b>51 (14)</b>	<b>43 (12)</b>	<b>42 (12)</b>	<b>39 (11)</b>	<b>39 (11)</b>	<b>30 (8)</b>	<b>16 (4)</b>	<b>16 (4)</b>	<b>15 (4)</b>	<b>961</b>	<b>362</b>	
Current survey	1	2	3	4	5	6	7	8	9	10	10	12	13	14	15			
Last survey	1	2	3	6	7	5	10	8	4	8	11	12	13	18	19			
The survey before last	1	2	3	7	9	5	6	8	4	10	12	11	14	17	19			

(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” (24.7%), followed by “No less than 31.5 but less than 32.0” (17.5%), with the median rate at 31.20 baht/US dollar. In the previous survey, the predominant answers were also 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%). A similar trend, therefore, can be observed in both surveys.

Industry Baht/US Dollar		Manufacturing									Non-manufacturing				Total	Total from the Previous Survey (Second Half of 2020)			
		Food	Textile	Chemical	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	(0.0)
No less than 29.5 but less than 30.0	0	0	2	0	0	1	1	0	4	3	0	0	3	7	7	(2.5)	4	(1.5)	
No less than 30.0 but less than 30.5	0	4	5	3	2	7	9	6	36	7	0	0	7	43	(15.6)	30	(11.0)		
No less than 30.5 but less than 31.0	1	4	4	1	5	7	7	2	31	7	1	1	9	40	(14.5)	43	(15.8)		
No less than 31.0 but less than 31.5	1	4	8	8	4	12	7	5	49	17	0	2	19	68	(24.7)	78	(28.7)		
No less than 31.5 but less than 32.0	1	1	8	14	1	4	4	3	36	10	0	2	12	48	(17.5)	44	(16.2)		
No less than 32.0 but less than 32.5	0	1	3	2	2	0	6	3	17	7	0	1	8	25	(9.1)	24	(8.8)		
No less than 32.5 but less than 33.0	3	0	4	4	3	1	5	4	24	11	0	1	12	36	(13.1)	38	(14.0)		
No less than 33.0 but less than 33.5	0	0	1	0	0	0	1	2	1	5	1	0	0	1	6	(2.2)	10	(3.7)	
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)	1	(0.4)		
No less than 34.0 but less than 34.5	0	0	0	0	0	0	0	0	0	1	0	0	1	1	(0.4)	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	6	14	35	32	17	33	41	24	202	65	1	7	73	275		272			
Average	31.78	30.69	31.24	31.38	31.26	30.91	31.28	31.30	31.20	31.38	30.90	31.53	31.38	31.29		Average	31.38		
Median	32.00	30.50	31.10	31.50	31.00	31.00	31.20	31.40	31.10	31.20	30.90	31.50	31.20	31.20		Median	31.20		
Mode	32.50	30.50	31.00	31.50	31.00	31.00	31.50	30.00	31.50	31.00	#N/A	#N/A	32.50	31.50		Mode	31.00		

(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 irregularly 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 3.5 but less than 3.6” (48.0%), followed by “No less than 3.4 but less than 3.5” (37.5%), 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 3.4 but less than 3.5” (42.5%), followed by “No less than 3.5 but less than 3.6” (29.1%), which implies that some companies have adjusted their exchange rate settings.

Industry Yen/Baht		Manufacturing									Non-manufacturing				Total	Total from the Previous Survey (Second Half of 2020)		
		Food	Textile	Chemical	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	(0.0)
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	(0.0)
No less than 2.8 but less than 2.9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(0.0)	1	(0.3)
No less than 2.9 but less than 3.0	0	1	0	0	0	0	0	0	1	0	0	0	0	1	(0.3)	1	(0.3)	
No less than 3.0 but less than 3.1	0	0	0	1	0	0	1	1	3	2	0	0	2	5	(1.3)	2	(0.5)	
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)	0	(0.0)	
No less than 3.2 but less than 3.3	0	0	1	3	2	0	1	0	7	3	0	1	4	11	(3.0)	16	(4.3)	
No less than 3.3 but less than 3.4	0	0	6	3	2	2	8	1	22	6	2	2	10	32	(8.6)	73	(19.5)	
No less than 3.4 but less than 3.5	1	4	16	10	9	16	34	10	100	28	3	8	39	139	(37.5)	159	(42.5)	
No less than 3.5 but less than 3.6	7	9	22	24	7	18	20	20	127	45	0	6	51	178	(48.0)	109	(29.1)	
No less than 3.6 but less than 3.7	0	1	0	0	0	0	1	0	2	2	0	0	2	4	(1.1)	13	(3.5)	
No less than 3.7 but less than 3.8	0	0	0	0	0	0	0	1	1	0	0	0	0	1	(0.3)	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	8	15	45	41	20	36	65	33	263	86	5	17	108	371		374		
Average	3.49	3.44	3.43	3.43	3.41	3.44	3.41	3.45	3.43	3.43	3.36	3.41	3.43	3.43		Average	3.40	
Median	3.50	3.50	3.40	3.50	3.40	3.45	3.40	3.50	3.40	3.50	3.40	3.40	3.40	3.40		Median	3.40	
Mode	3.50	3.50	3.50	3.50	3.40	3.50	3.40	3.50	3.50	3.50	3.40	3.40	3.50	3.50		Mode	3.40	

(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 irregularly 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)

- The predominant corporate challenge for Japanese companies, is “Severe competition with competitors” (68%), followed by “Surge in material prices” (47%), “Measures to address the impacts of the Covid-19” (44%), and “Increase of total labor cost” (42%).
- Another popular choice for firms in the manufacturing sector is “Shortage of engineers” (34%), while many companies in the non-manufacturing sector also cited “Sluggish domestic demand” (36%) and “Changes in products/users’ needs” (32%) as challenges.

		No. of firms and (%)			
Previous survey	Current survey	Challenges for Corporate Management	Manufacturing	Non-manufacturing	Total
1	1	Severe competition with competitors	211 (68)	174 (68)	385 (68)
7	2	Surge in material prices	201 (64)	69 (27)	270 (47)
8	3	Measures to address the impacts of the Covid-19	147 (47)	103 (40)	250 (44)
2	4	Increase of total labor cost	146 (47)	93 (36)	239 (42)
3	5	Sluggish domestic demand	83 (27)	93 (36)	176 (31)
4	6	Changes in products/users’ needs	92 (29)	83 (32)	175 (31)
6	7	Shortage of engineers	106 (34)	42 (16)	148 (26)
10	8	Enhancement of business efficiency through digitalization	72 (23)	65 (25)	137 (24)
5	9	Quality management	94 (30)	40 (16)	134 (24)
9	10	Fluctuation of foreign exchange rates	70 (22)	24 (9)	94 (17)
Total			1,501	964	2,465
No. of firms			312	257	569

(Note) Ranks up to top 10

## 6. Requests to the Thai Government

### 6.1 Requests to the Thai Government (multiple answers)

- “Implementation of measures to address the impacts of the Covid-19” (61%) is most requested by the responding companies, followed by “Promotion of economic stimulus measures (e.g. public infrastructure development)” (49%) and “Customs-related systems and their implementation” (41%).
- “Implementation of tax-related systems (e.g. Corporate Income Tax)” (34%) and “Stabilization of foreign exchange rates” (30%) are also popular among the manufacturing sector, while “Work permit/visa-related issues” (31%) is another predominant request among the non-manufacturing sector.

		No. of firms and (%)			
Previous survey	Current survey	Requests to the Thai Government	Manufacturing	Non-manufacturing	Total
3	1	Implementation of measures to address the impacts of the Covid-19	196 (63)	149 (58)	345 (61)
1	2	Promotion of economic stimulus measures (e.g. public infrastructure development)	151 (49)	128 (50)	279 (49)
2	3	Customs-related systems and their implementation	137 (44)	96 (37)	233 (41)
4	4	Implementation of tax-related systems (e.g. Corporate Income Tax)	106 (34)	91 (35)	197 (35)
7	5	Relaxation of the Foreign Business Act	59 (19)	73 (28)	132 (23)
10	6	Promotion of economic ties (e.g. FTA, EPA, etc.)	82 (26)	45 (17)	127 (22)
5	7	Stabilization of foreign exchange rates	92 (30)	34 (13)	126 (22)
6	8	Development of transportation infrastructure in the Bangkok metropolitan area	61 (20)	65 (25)	126 (22)
9	9	Work permit/visa-related issues	41 (13)	79 (31)	120 (21)
8	10	Maintenance of public security and safety	58 (19)	48 (19)	106 (19)
Total			1,309	1,012	2,321
No. of firms			310	258	568

(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 “Development of transportation infrastructure in the Bangkok metropolitan area” (34%), followed by “Measures to address the impacts of the Covid-19” (26%), “Promotion of economic stimulus measures (e.g. public infrastructure development)” (22%), “Development of communication infrastructure” (17%), and “Work permit/visa-related issues” (16%).

No. of firms and (%)

Previous survey	Current survey	Recent Policy Improvement	Manufacturing	Non-manufacturing	Total
2	1	Development of transportation infrastructure in the Bangkok metropolitan area	80 (31)	71 (36)	151 (34)
1	2	Measures to address the impacts of the Covid-19	69 (27)	47 (24)	116 (26)
4	3	Promotion of economic stimulus measures (e.g. public infrastructure development)	52 (20)	45 (23)	97 (22)
20	4	Development of communication infrastructure	35 (14)	41 (21)	76 (17)
3	5	Work permit/visa-related issues	50 (20)	24 (12)	74 (16)
7	6	Maintenance of public security and safety	26 (10)	27 (14)	53 (12)
6	7	Stabilization of foreign exchange rates	22 (9)	29 (15)	51 (11)
5	8	Promotion of economic ties (e.g. FTA, EPA, etc.)	27 (11)	18 (9)	45 (10)
9	9	Implementation of tax-related systems (e.g. Corporate Income Tax)	18 (7)	15 (8)	33 (7)
8	10	Implementation of flood prevention measures	24 (9)	5 (3)	29 (6)
Total			507	392	899
No. of firms			255	195	450

(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 5% but less than 20%)” (40%), while some expected “Negative impact on sales (at least 20% but less than 50%)” (17%), whereas some believed there will be “No impact” (12%).

No. of firms and (%)

Ranking	Impact on Business Performance	Manufacturing	Non-manufacturing	Total
1	Negative impact on sales (at least 5% but less than 20%)	126 (41)	102 (39)	228 (40)
2	Negative impact on sales (at least 20% but less than 50%)	47 (15)	51 (20)	98 (17)
3	No impact	50 (16)	20 (8)	70 (12)
4	Unable to predict at the moment	35 (11)	28 (11)	63 (11)
5	Negative impact on sales (at least 1% but less than 5%)	27 (9)	31 (12)	58 (10)
6	Positive impact	17 (6)	17 (7)	34 (6)
7	Negative impact on sales (50% or more)	3 (1)	11 (4)	14 (2)
Total		305	260	565

(Reference) The result of the Survey on Business Sentiment of Japanese Corporations in Thailand for the Second Half of 2020 (released on January 26, 2021)

- ① Negative impact on sales (at least 20% but less than 50%) 39%  
 ② Negative impact on sales (at least 5% but less than 20%) 37%

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%

## 7.2 Actions Concerning the Supply Chain Which Are Prioritized by the Company (multiple answers)

- While most companies stated that they prioritized “Nothing in particular” (38%) in managing their supply chains, many have cited “Changing and diversifying suppliers (including suppliers within Thailand)” (29%) and “Creating a mechanism that enables flexible change of suppliers” (21%) as their priorities.

Ranking	Actions Concerning the Supply Chain Which Are Prioritized by the Company	No. of firms and (%)				
		Manufacturing		Non-manufacturing		Total
1	Nothing in particular	81	(28)	119	(52)	200 (38)
2	Changing and diversifying suppliers (including suppliers within Thailand)	112	(38)	40	(18)	152 (29)
3	Creating a mechanism that enables flexible change of suppliers	70	(24)	38	(17)	108 (21)
4	Increasing local procurement in Thailand from non-Japanese companies	58	(20)	33	(14)	91 (17)
5	Increasing local procurement in Thailand from Japanese companies	54	(18)	21	(9)	75 (14)
6	Altering procurement products (product type or specification)	45	(15)	17	(7)	62 (12)
7	Increasing production volume in Thailand	34	(12)	2	(1)	36 (7)
8	Others	12	(4)	9	(4)	21 (4)
9	Diversifying customers	6	(2)	10	(4)	16 (3)
10	Reducing production volume in Thailand	9	(3)	2	(1)	11 (2)
Total		497		302		799
No. of firms		293		228		521

(Note) Ranks up to top 10

## 7.3 Outlook on Future Business Activities

- Having considered the impacts of the Covid-19, most of the responding companies indicated that they expect to “Continue or expand the business” (66%), while 30% are “Uncertain at the moment” and 4% might “Downsize the business”.

Industry	No. of firms and (%)				No. of firms
	Continue or expand the business	Downsize the business	Uncertain at the moment		
Manufacturing	197 (64)	9 (3)	100 (33)		306
Non-manufacturing	178 (69)	13 (5)	68 (26)		259
Total	375 (66)	22 (4)	168 (30)		565

## 7.4 The Company’s Policy on Vaccination

- Regarding the company’s policy on the employee’s vaccination, most firms stated that “In principle, the company encourages the employee’s vaccination” (43%). Many also reported that “In principle, the company allows the employees to receive vaccination voluntarily” (34%), while some indicated that “The company has not decided on the policy” (21%).

Ranking	The Company’s Policy on Vaccination	No. of firms and (%)				
		Manufacturing		Non-manufacturing		Total
1	In principle, the company encourages the employee’s vaccination	147	(48)	95	(37)	242 (43)
2	In principle, the company allows the employees to receive vaccination voluntarily	78	(26)	113	(43)	191 (34)
3	The company has not decided on the policy	68	(22)	48	(18)	116 (21)
4	In principle, the company requires the employees to receive vaccination	11	(4)	4	(2)	15 (3)
5	In principle, the company prohibits the employee’s vaccination	1	(0)	0	(0)	1 (0)
Total		305		260		565

## 7.5 Issues and Concerns Regarding Vaccination (multiple answers)

- The top issue or concern for Japanese companies regarding the employee's vaccination is “Responsibility in case that the company requires or encourages the employees to receive vaccination and side effects occur” (47%), followed by “Gathering and disseminating information on vaccination and side effects among the employees” (46%) and “Responsibility in case that infection is found in the workplace while the company does not require or encourage the employees to receive vaccination” (32%).

Ranking	Issues and Concerns Regarding Vaccination	No. of firms and (%)		
		Manufacturing	Non-manufacturing	Total
1	Responsibility in case that the company requires or encourages the employees to receive vaccination and side effects occur	153 (52)	99 (41)	252 (47)
2	Gathering and disseminating information on vaccination and side effects among the employees	135 (46)	113 (47)	248 (46)
3	Responsibility in case that infection is found in the workplace while the company does not require or encourage the employees to receive vaccination	86 (29)	84 (35)	170 (32)
4	Cost Burden for encouraging vaccination (incentive payment and paid leave, travel expenses, etc.)	70 (24)	46 (19)	116 (22)
5	Formulating the company's vaccination policy	55 (19)	41 (17)	96 (18)
6	Opposition from the employees in case that the company requires or encourages the employees to receive vaccination	48 (16)	38 (16)	86 (16)
7	The company's reputation among the customers in case that the company does not require or encourage the employees to receive vaccination	26 (9)	41 (17)	67 (13)
8	Treatment of the unvaccinated employees	35 (12)	28 (12)	63 (12)
9	Protecting the vaccinated and unvaccinated employees' personal data that the company has obtained and accumulated	29 (10)	27 (11)	56 (10)
10	Selecting target groups for vaccination	11 (4)	9 (4)	20 (4)
Total		662	543	1,205
No. of firms		294	240	534

(Note) Ranks up to top 10

## 7.6 Requests to the Thai Government Concerning Vaccine (multiple answers)

- Regarding the requests to the Thai government concerning vaccine, “Promptly providing information on vaccines e.g. vaccine's effectiveness, safety, side effects, health risks, inoculation plan, vaccination progress, etc.” (67%) is most requested by the respondents, followed by “Subsidizing vaccination expenses” (58%) and “Expanding the types of vaccines available for inoculation” (52%).

Ranking	Requests to the Thai Government Concerning Vaccine	No. of firms and (%)		
		Manufacturing	Non-manufacturing	Total
1	Promptly providing information on vaccines e.g. vaccine's effectiveness, safety, side effects, health risks, inoculation plan, vaccination progress, etc.	207 (68)	164 (65)	371 (67)
2	Subsidizing vaccination expenses	185 (61)	140 (55)	325 (58)
3	Expanding the types of vaccines available for inoculation	154 (51)	134 (53)	288 (52)
4	Subsidizing expenses in case that side effects occur after vaccination	136 (45)	123 (49)	259 (47)
5	Allowing the company to choose the type of vaccines to be administered to its employees	132 (44)	114 (45)	246 (44)
6	Tax privileges e.g. tax deduction for vaccine-related expenses	105 (35)	89 (35)	194 (35)
7	Propelling the government's vaccination effort based on clear policy such as a fair arrangement of vaccination order	90 (30)	73 (29)	163 (29)
8	Securing safe vaccination sites in case that group vaccination is carried out	84 (28)	55 (22)	139 (25)
9	Dispatching medical personnel to the company in case that vaccination is provided at the company	85 (28)	29 (11)	114 (21)
10	Establishing vaccination program led by the private sector	58 (19)	50 (20)	108 (19)
11	Providing the government's certification to business establishments which have received vaccination	51 (17)	36 (14)	87 (16)
12	Training essential personnel such as medical staff to speedily carry out vaccination	44 (15)	35 (14)	79 (14)
13	Others	10 (3)	3 (1)	13 (2)
Total		1,341	1,045	2,386
No. of firms		303	253	556

## 8. The BCG (Bio-Circular-Green) Economy

### 8.1 The BCG Economy and the Direction of the Company's Business Activities

- In response to a question whether the direction of the company's business activities align with the BCG economy, 38% of the companies indicated that the direction of their business activities "Aligns" with the BCG economy, whereas 11% stated that their business activities does "Not align" with the concept and 50% are "Uncertain".

Industry	No. of firms and (%)						
	Align		Not align		Uncertain		No. of firms
Manufacturing	119	(40)	42	(14)	140	(47)	301
Non-manufacturing	95	(37)	20	(8)	140	(55)	255
Total	214	(38)	62	(11)	280	(50)	556

### 8.2 Interest in the Board of Investment's (BOI) Privilege Program

- As for the company's interest in the privilege program targeting investment in the BCG economy, 49% indicated that they are "Interested" in the program, while 51% are "Not interested".

Industry	No. of firms and (%)				
	Interested		Not interested		No. of firms
Manufacturing	163	(55)	135	(45)	298
Non-manufacturing	107	(42)	147	(58)	254
Total	270	(49)	282	(51)	552

### 8.3 Investment Privileges Which Are of Interest to the Company (multiple answers)

- Among the investment privileges in which the responding companies expressed their interest in item 8.2, "Green energy e.g. electricity or steam produced from renewable energy" (38%) is the most popular choice, followed by "Energy saving products e.g. energy saving auto parts, solar cells and related materials, fuel cells, energy saving home appliances, etc." (37%) and "Treatment or disposal of industrial waste" (33%).

Ranking	Investment Privileges Which Are of Interest to the Company	No. of firms and (%)				
		Manufacturing		Non-manufacturing		Total
1	Green energy e.g. electricity or steam produced from renewable energy	58	(36)	45	(41)	103 (38)
2	Energy saving products e.g. energy saving auto parts, solar cells and related materials, fuel cells, energy saving home appliances, etc.	56	(35)	43	(39)	99 (37)
3	Treatment or disposal of industrial waste	63	(39)	27	(25)	90 (33)
4	Recycling and reusing unused materials	55	(34)	27	(25)	82 (30)
5	Products manufactured by circular manufacturing process e.g. plastic products made from recycled plastic and recycled textiles	46	(29)	35	(32)	81 (30)
6	Bioenergy and biofuels e.g. electricity or steam produced from biomass	18	(11)	27	(25)	45 (17)
7	Environmentally friendly chemical products and polymers	24	(15)	18	(16)	42 (16)
8	Industrial zones with facilities such as industrial waste and recycling management systems	20	(13)	20	(18)	40 (15)
9	Circular energy and fuels e.g. fuels from agricultural waste, garbage, and industrial waste	10	(6)	21	(19)	31 (11)
10	R&D or production of products by using biotechnology	15	(9)	15	(14)	30 (11)
11	Others	4	(3)	5	(5)	9 (3)
Total		369		283		652
No. of firms		160		110		270

## 8.4 Reasons for the Lack of Interest in the Investment Privilege Program (multiple answers)

- On the other hand, the most popular reason why some companies responded that they are not interested in the privilege program in item 8.2 is that “The company’s business activities are not in line with the privilege program’s criteria” (64%), followed by “The company does not have information on the privilege program” (38%) and “The scope of businesses targeted by the privilege program is quite limited” (12%).

Ranking	Reasons for the Lack of Interest in the Investment Privilege Program	No. of firms and (%)		
		Manufacturing	Non-manufacturing	Total
1	The company’s business activities are not in line with the privilege program’s criteria	86 (62)	97 (66)	183 (64)
2	The company does not have information on the privilege program	54 (39)	54 (36)	108 (38)
3	The scope of businesses targeted by the privilege program is quite limited	26 (19)	8 (5)	34 (12)
4	The company is carrying out environmental measures even without the BOI privileges	10 (7)	4 (3)	14 (5)
5	Despite having information on the privilege program, the company does not understand the application procedure or thinks that the procedure is complicated	2 (1)	2 (1)	4 (1)
6	The benefits are quite small	2 (1)	2 (1)	4 (1)
7	Others	1 (1)	2 (1)	3 (1)
Total		181	169	350
No. of firms		139	148	287

## 9. Requests to the Thai Government Concerning Environmental Measures (multiple answers)

- When the responding companies were asked about their requests to the Thai government concerning environmental measures, the most requested measure is “Creating environment and mechanism to promote recycling such as intensive waste separation” (52%), followed by “Amending regulations, which are full of loopholes and lax enforcement and supervision, to ensure that companies which are fully complying with the laws do not become disadvantaged in business competition” (36%) and “Tax privileges for companies implementing environmental measures” (33%).

Ranking	Requests to the Thai Government Concerning Environmental Measures	No. of firms and (%)		
		Manufacturing	Non-manufacturing	Total
1	Creating environment and mechanism to promote recycling such as intensive waste separation	158 (54)	124 (50)	282 (52)
2	Amending regulations, which are full of loopholes and lax enforcement and supervision, to ensure that companies which are fully complying with the laws do not become disadvantaged in business competition	110 (37)	86 (35)	196 (36)
3	Tax privileges for companies implementing environmental measures	116 (39)	62 (25)	178 (33)
4	Granting subsidy to companies implementing environmental measures	110 (37)	60 (24)	170 (31)
5	Offering benefits for implementing environmental measures	114 (39)	54 (22)	168 (31)
6	Conducting hearings to sufficiently gather businesses’ opinions when introducing new regulations	99 (34)	54 (22)	153 (28)
7	Amending regulations which are inconsistent with the international standards such as regulations on waste water and soil	52 (18)	35 (14)	87 (16)
8	Strengthening countermeasures against greenhouse gas emissions	39 (13)	37 (15)	76 (14)
9	Reforming unpredictable administrative procedures such as excessive requirements set by the authority in order for the company to pass an environmental assessment	44 (15)	28 (11)	72 (13)
10	Measures that bring about fundamental change in the long run such as the development of environmentally friendly smart cities	21 (7)	29 (12)	50 (9)
Total		892	610	1,502
No. of firms		295	247	542

(Note) Ranks up to top 10