Expectations of Japanese Companies in Thailand for the Thailand 4.0

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Japanese Chamber of Commerce, Bangkok (JCC)
Successive Investment by Japanese Companies

The largest number of JCC members

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Japan as Majority Investor in Thailand

FDI shares in Thailand(2016)

<table>
<thead>
<tr>
<th>Country</th>
<th>Rank</th>
<th>Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thailand</td>
<td>1st</td>
<td>36%</td>
</tr>
<tr>
<td>Philippines</td>
<td>1st</td>
<td>23%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>2nd</td>
<td>15%</td>
</tr>
<tr>
<td>Singapore</td>
<td>2nd</td>
<td>7%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>4th</td>
<td>10%</td>
</tr>
</tbody>
</table>

Ranking of FDI by Japan within ASEAN at end of 2015 based on shares (in stock base)

(Source) Bank of Thailand

(Source) Coordinated Direct Investment Survey (CDIS), IMF
Why Do Japanese Companies Invest in Thailand?

Continuous Investment and Trade Policies

• Attractive and Stable Investment Policies by Thai Government
• JTEPA (AGREEMENT BETWEEN JAPAN AND THE KINGDOM OF THAILAND FOR AN ECONOMIC PARTNERSHIP)

Industrial Clusters and Supply Chain

• Prominent Thai Industrial Clusters within ASEAN
• Procurement by local supply chains at low cost
Why Do Japanese Companies Invest in Thailand?

Advantageous Infrastructure

- Three major airports; Suvarnabhumi, Don Muang, and U-Tapao
- Laem Chabang port
- Stable electric power supply
- Well-paved roads throughout Thailand

Thai bond of friendship with Japanese

- Satisfactory relationship between Thailand and Japan
Expectations of Japanese Companies in Thailand for EEC
Reaction of the Participants in JETRO’s Mission

- 24.8% of participants has a specific investment plan within 4 years.
- 50.5% suggested the possibility to consider investment in Thailand in the future.
- 14.0% of companies without any base in Thailand answered to have a specific plan.
- 35.2% of companies with some base in Thailand have a specific plan.

Survey Outline

1. Survey targets
   Total of 439 persons who joined in JETRO’s mission

2. Period
   In November and the beginning of December 2017

3. Response
   Number of valid replies: 110  Response rate: 25.1%

(Source) JETRO

<table>
<thead>
<tr>
<th>Investment Plan</th>
<th>(New investment)</th>
<th>(Existing firms)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>A new investment plan for investment within 6 months.</td>
<td>(8.0%)</td>
<td>(19.6%)</td>
<td>13.9%</td>
</tr>
<tr>
<td>A new investment plan for investment within 2 years.</td>
<td>(0.0%)</td>
<td>(7.8%)</td>
<td>4.0%</td>
</tr>
<tr>
<td>A new investment plan for medium and long term (2–4 years).</td>
<td>(6.0%)</td>
<td>(7.8%)</td>
<td>6.9%</td>
</tr>
<tr>
<td>A possibility of investing in Thailand from now on.</td>
<td>(54.0%)</td>
<td>(47.1%)</td>
<td>50.5%</td>
</tr>
<tr>
<td>No plan to invest</td>
<td>(32.0%)</td>
<td>(17.6%)</td>
<td>24.8%</td>
</tr>
<tr>
<td>Total</td>
<td>(100.0%)</td>
<td>(100.0%)</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
Expectations of Japanese Companies in Thailand towards the Thailand 4.0

1. Ceaseless Connectivity with Pre-existing Industries
2. Infrastructure
3. Connectivity with Neighboring Countries
4. Human Resource Development
5. Investment Incentive policies
Thank you