



**DEVELOPMENT ANALYSIS REPORT OF THAI ENTERPRISES  
UNDER ASEAN ECONOMIC INTEGRATION  
TAKE EXPORTING INDUSTRY AS AN EXAMPLE**



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ASEAN ECONOMIC INTEGRATION  
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**Thematic Certificate**

**To**

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## ABSTRACT

Title: Development Analysis Report of Thai Enterprises under ASEAN Economic Integration (Take Exporting Industry as an example)

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With regard to the influence of ASEAN economic integration on enterprises, this paper aims to conduct an in-depth study of the management issues that companies face under economic integration. As a participant in an economic organization, a country's behavioral and its decision will affect the direction and progress of the company's development. Therefore, when the country participation in economic organization activities, its performance is based on the understanding of this organization and its strategic choices. Thus, this paper will focus on what opportunities and challenges will Thai companies face under ASEAN integration, combining research on the local market and discuss how business management responds to Macroeconomic environment changes.

ASEAN (Association of Southeast Asian Nations) is the most successful and representative regional international organization among developing countries, Its current member countries already cover almost all Southeast Asian countries. The level of cooperation within has also been continuously enhanced and deepened. It has become an international organization with significant influence in both the region and the world. Since 1990, especially after World War II, regional economic integration has become an important feature of the world's economic development and has exerted many influences

on the world economy. It not only increases the power of political negotiations, but also makes the whole world realize that regional economic integration has benefits for the development of national and regional economies.

This paper analyzes the status quo of the Thai government and uses SWOT analysis to analyze the impact of joining the ASEAN Economic Community on Thai companies. ASEAN is Thailand's largest export market, and today Asian market is one of the most important markets for Thailand, Retail value has grown to 21.12% of Thailand's total trade value. Thailand is full of opportunities and challenges in the ASEAN Economic Community. At the same time, this is an economic turning point for Thailand and ASEAN.

In business management, in order to correctly analyze the business strategy of local companies, thereby achieve the highest efficiency in economic integration, Entrepreneurs and managers should understand Thailand's basic business environment, such as: political, economic, social, cultural environment , and some local industry rules.

This article contains six chapters: The first chapter includes the abstract, background, meaning of research and literature review. The second chapter elaborates the related theories. The third chapter is the management status and management of Thai companies. The fourth chapter analyzes the impact of ASEAN on Thai companies. Chapter V learns from the experiences of European economies and comparing. Chapter VI provides suggestions for companies and managers.

**Keywords: ASEAN;Thai enterprises;Business management**

## 中文摘要

题目： 泰国企业在东盟经济体下发展分析报告（以出口业为例）

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关于经济体对国家中企业的影响，本文旨在对经济一体化下企业面临的管理问题进行深入研究，国家是经济组织的参与者，国家的行为决策将会影响企业发展方向和进程，因此，在国家参与经济组织活动的过程当中，表现是建立在它对该组织的认知以及战略选择的基础之上。这也带来一个重要的研究方向，泰国企业在东盟一体化下将会面临如何的机遇与挑战。

东盟（全称：东南亚国家联盟）是发展中国家中最成功而且最有代表性的区域性国际组织，目前其成员国已经涵盖了几乎所有东南亚国家，内在合作的水平也在不断的提升和深化，成为区域和全球具有重要影响的一个国际组织。从 1990 年起，特别是二战以后，区域经济一体化成为世界经济发展的一个重要特征，并且对世界经济产生了诸多影响。它不仅增加了政治谈判权力，而且让整个世界意识到，区域经济一体化对国家和区域经济的发展都有益处。

这篇论文分析了泰国政府以及企业的现状，并用分析法分析了加入东盟经济共同体对泰国企业的影响。因为从东盟是泰国最大的出口市场可以看出，如今的亚洲市场是泰国最重要的市场之一，零售价值已经增长到泰国总贸易价值的 21.12%（2015 年数据）。泰国在东盟经济共同体中充满了机遇和挑战，同时，这也是泰国和东盟的一个经济转折点。

在企业管理中，为了能正确地分析本地企业的经营战略，从而在经济一体化中

得到最高效益，企业家和管理者们应该了解泰国的基本商业环境，例如：政治、经济、社会、文化以及一些本地行业规则等等。

本文结构共包含六章：第一章包括引文、背景、意义、研究意义和文献综述，第二章阐述相关理论。第三章是泰国企业的经营状态及管理，第四章分析东盟对泰国企业的影响，第五章借鉴欧洲经济体的经验进行对比，第六章为企业和管理者提出建议。

**关键词：**东盟;泰国企业;企业管理;经济整合一体化



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**CHAPTER 1. INTRODUCTION**

**1.1 Research background and meaning**

**1.1.1 Topic background**

In recent years, Thailand's export industry has experienced a decline in export value due to the economic downturn. Therefore, it is necessary for Thailand to newly develop other potential markets to increase export value. Thailand and ASEAN countries are developing countries, and they are similar in terms of resources and natural conditions. Therefore, the degree of similarity in the export structure between Thailand and other ASEAN countries is relatively high, making Thailand and ASEAN other. There is fierce competition in the export trade between countries. Whether product export trade between Thailand and ASEAN countries can bring greater cooperation and development to itself. The Thai government should adopt a series of effective strategies to actively take action to expand its product exports and maintain its market share and competitiveness. And further make up for their own shortcomings.

Based on a careful analysis of the theory of international trade, the issues and developments in the import and export trade between Thailand and other countries in ASEAN, as well as the policies they implement, are empirically analyzed. In order to deepen the trade cooperation between Thailand and ASEAN countries, it put forward some policy recommendations.

**1.1.2 Research purposes and meaning**

In recent years, ASEAN has played a significant role in promoting Thailand's economic growth. Because Thailand's 60%-70% of GDP comes from foreign trade exports. The ASEAN countries are Thailand's largest trading partner and the largest export destination. In 2013, the trade volume between Thailand and ASEAN countries was US\$ 101.05 billion. The export trade volume was US\$ 5.931 trillion, accounting for 21.21% of its total foreign trade. ASEAN countries has become Thailand's largest export market surpass China, US, and Japan.

As a matter of fact, the completion of the ASEAN Economic Community in 2015 will not have a serious impact on the development of Thailand's industry in some extent. Since the economic crisis in Thailand in 1997, Thailand has reformed its industrial structure, which has greatly improved the productivity and competitiveness of SMEs. However, the reform of production structure and productivity of some large enterprises still lags behind, making Thai companies have certain gaps in the free circulation of commodities, production technology, service quality of enterprises, and the technical level

of workers. After these enterprises sign an agreement with the ASEAN economy, they will certainly have a certain impact on its long-term development. Therefore, it is necessary to analyze the status quo of Thai enterprise development from the perspective of ASEAN economic community in order to help getting a better discover the opportunities and challenges that Thai companies face after joining the ASEAN Economic Community , facing the advantages and disadvantages of Thai companies from the perspective of the ASEAN Economic Community, and presenting the benefits and suggestions of Thai companies joining the ASEAN Economic Community, to promote the adjustment of industrial structure and productivity of Thai companies and further expand Thailand's export trade so as to promote the overall economic growth in Thailand, This is the main purpose of this study. The studying of this topic has certain academic value and theoretical significance and it could use to make up the gaps in relative field, at the same time, there's a certain positive significance for Thai enterprises to integrate into regional economic integration and to go international.

## **1.2 Related literature review**

### **1.2.1 Description of regional economic integration**

In the wave of economic globalization and regionalization, the economies of ASEAN countries have developed rapidly and the process of regional economic integration has been accelerating. The economic integration of the region has undergone a series of structural changes. At present, ASEAN has become an important force in global regional economic integration. Multi-level regional integration with ASEAN as the core is gradually advancing, and ASEAN plays a leading role in the process of regional integration. This regional economic integration is facing the balance of power between major powers. Restructuring challenges.

Liu (2012) commented on ASEAN economic integration in the “Saga Economic Research” that ASEAN economic integration will continue to strengthen the relationship between Southeast Asian economies and China. Because this is a good opportunity for Chinese businessmen to go out. However, the factors that make ASEAN economic integration successful not only extend to ASEAN+3, ASEAN+6, or TPP, but also depend on narrowing the economic gap between rich and poor countries. The integration of markets and production bases also strengthens the sense of identity and unity of the ASEAN community. Michael (2014) used the econometric model in the <ASEAN Economic Growth after China-ASEAN Economic Cooperation and East Asian Financial Crisis> to discuss the research results of China and ASEAN economic communities. It was found that exports and net capital have been imported from abroad, especially China has become a key factor in ASEAN economic growth. In addition, it is still found that ASEAN countries all benefit from economic cooperation with China. Only different levels of development will result in unequal returns in investment opportunities, resulting in different levels of GDP growth.

### (1) ASEAN Becomes an Important Force in Global Regional Economic Integration

After the war, ASEAN has always been a hot area of world economic growth. From the mid-1980s to the outbreak of the Asian financial crisis in 1997, the ASEAN countries showed a sustained and rapid economic growth. The Asian financial crisis interrupted the process of sustained high-speed growth of the ASEAN economy. Since then, the economy has experienced rapid fluctuations, and regional economic integration has stagnated. After 2002, the ASEAN countries gradually recovered their economies, stepped out of the financial crisis, and made new progress in regional economic integration.

In recent years, ASEAN countries have seen rapid economic growth and accelerated regional economic integration. ASEAN's economic status in the Asia-Pacific region has continued to increase. According to statistics, in 1996 ASEAN's gross domestic product was US\$725.47 billion, and in 1998 it was reduced to US\$472.62 billion. In 2004, US\$796.48 billion exceeded the level before the financial crisis. In 2006, ASEAN's GDP exceeded US\$1 trillion in 2008. It reached 1.5 trillion US dollars, and more than 2 trillion US dollars in 2011. In 2012, Ten ASEAN countries had a population of 4.436 billion and a population of 600 million people. With a GDP of 3 trillion US dollars and an import and export trade of about 2.4 trillion U.S. dollars, it is the third largest country and region in the world and the Asia Pacific region (after China and India) and the fifth largest in the world (behind only The European Union, the United States, China, and Japan) and the fourth largest economy in the Asia Pacific region and the second largest economy in the developing world (second only to China and more than Brazil) are the fourth largest in the world (after the United States, China, and Germany). And Asia Pacific's third largest import and export trade area.

In 2014, foreign direct investment (FDI) flows absorbed by ASEAN exceeded US\$100 billion for the first time, reaching US\$108.997 billion and US\$111.924 billion in 2012, becoming one of the major countries and regions for developing countries to absorb foreign direct investment. The important node of the regional production network, ASEAN is also the world's largest integrated circuit and electronic component, the second largest office automation equipment and communication equipment in the Asia Pacific region, and the important export bases for chemicals, automobiles, medicine, textiles, and garments in the region.

### (2) ASEAN emphasizes the diversity and openness of regional integration

Unlike previous forms of trade liberalization in the region, ASEAN's regional integration form has broader and more diverse goals and content. In addition to the liberalization of trade in goods, service trade, investment liberalization and other economic cooperation have become important aspects. At the same time, ASEAN

emphasizes the openness of regional economic integration. It breaks through the restrictions of regions and distances, and the asymmetry of the two sides of the agreement emphasizes that it is in line with WTO rules and goes beyond the scope of WTO in terms of content. Among the three types of regionalization of ASEAN, the areas covered by the ASEAN Free Trade Area have expanded from commodity trade to service trade, investment, and other areas of economic cooperation. The construction of China, Japan, India, Australia, New Zealand and ASEAN Free Trade Area has also surpassed. The goal of trade liberalization alone, service trade, investment liberalization and other economic cooperation have become important contents.

The bilateral free trade agreement between Singapore and Japan is the first bilateral free trade agreement in East Asia. The two countries have promised to open more than the agreement between the member states of the World Trade Organization. According to the agreement, the products that can enjoy tax exemptions account for 98.5% of the current bilateral trade between New Zealand and Japan, while the World Trade Organization agreement requires only about 65% coverage; and Singapore and Japan promise 100% duty-free products and 92.1% respectively. The percentage of duty-free products promised by the two countries under the World Trade Organization Agreement was 70% and 34% respectively. The two countries' commitments in opening up service trade far exceed the provisions of the World Trade Organization agreement. New and Japan commitments are open respectively. 5% and 86% of the service sector; the agreement includes not only trade in traditional goods and services but also intellectual property, financial services, communications, marine transportation, science and technology, human resources development, tourism, medical services, and education services. Wait. In addition, the ASEAN Negotiations on the Regional Comprehensive Economic Partnership Agreement (RECP) will also cover such broad areas as trade in goods, trade in services, investment, and economic and technological cooperation. The agreement will also establish open access clauses and other Partners can apply to join the agreement.

### **1.2.2 ASEAN plays a leading role in regional integration**

In today's world, economic integration in the Asia-Pacific region is undoubtedly one of the most complex areas in the international regional economic integration. Although the degree of economic dependence in the Asia-Pacific region continues to increase, regional economic integration with institutional arrangements is difficult to form in the short term. Facing the new wave of economic integration in the Asia-Pacific region, especially the negotiations on the Trans-Pacific Partnership (TPP), China-Korea Free Trade Agreement, and China-Japan-Korea Free Trade Agreement, ASEAN has realized that it must speed up ASEAN-led development. The pace of regional economic integration.

In November 2011, ASEAN launched the "ASEAN Regional Comprehensive Economic Partnership Framework" (RCEP) to establish a regional comprehensive economic partnership agreement with ASEAN as the leading partner and free trade agreement. In the new wave of Asia-Pacific regionalization, The U.S.-led Trans-Pacific Partnership Agreement (TPP) and the ASEAN-centered Regional Comprehensive Economic Partnership Agreement (RCEP) are the most important form of regional integration negotiations in the region. The ASEAN leaders believe that the two agreements will not mutually exclude each other and will help promote the process of trade liberalization in the Asia Pacific region and will become a parallel path to the Asia Pacific Free Trade Area (FTAAP). Compared with TPP, RCEP covers 16 countries. Its focus is on integrating the existing 5 "10 + 1" free trade zone agreements. The negotiation involves areas such as goods trade, service trade, investment, and economic and technical cooperation to achieve a comprehensive, high-quality, reciprocal regional free trade zone agreements; and TPP includes 11 countries, the focus of which is the development of standards and rules, negotiating trade, trade in services, investment, agriculture, labor, environment, government procurement, intellectual property protection, etc. The field seeks to establish a high standard, all-round free trade zone.

### **1.3 Research ideas and methods**

#### **1.3.1 Thesis ideas**

Hooshang and Bchcshti (2004), an American accounting expert, first proposed the active cost management method for the source company's operation process in the country, and the hydro-power company tried it.

Based on the theory of regional economic cooperation and the theory of business management and management, this article analyzes the development of the ASEAN Economic Community and the current situation of the management of Thai companies, and studies the opportunities and challenges of Thai enterprises joining the ASEAN Economic Community, and points out European countries. The advanced experience of enterprises joining the European Economic Community and worthy of reference for Thai companies provides suggestions for the development of Thai enterprises joining the ASEAN Economic Community.

#### **1.3.2 The main research framework**

The paper is divided into five chapters. The first chapter is the introduction part. It mainly expounds the background of the writing, the topics selected and the significance of the research. It also analyzes the research summaries related to this topic, introduces the writing ideas and research methods of the thesis, and points out the innovative points of the thesis. The second part analyzes the theory related to this topic and paves the way for the later research. Including the theory of regional economic cooperation, business management theory and corporate development strategy theory; the third chapter analyzes the status quo of Thailand's business management, points out the basic situation of Thai



business management, and analyzes its existing advantages and disadvantages. And in the course of development, there are a series of problems; Chapter IV uses SWOT analysis to analyze the opportunities and challenges for Thai companies to join the ASEAN Economic Community; Chapter 5 discusses the development status of the European Economic Community and European countries' companies joining the European Economic Community. The analysis was carried out to explore what can be learned from Thailand's enterprises' participation in the ASEAN Economic Community. Finally, the conclusion of the dissertation summarizes the viewpoints of the entire dissertation, and presents the development strategies and recommendations of Thai enterprises joining the ASEAN Economic Community.

### **1.3.3 Research methods**

The paper mainly uses several research methods:

1. Theoretical analysis. We use theoretical analysis to analyze the theory of regional economic cooperation and enterprise management theory. Through theoretical research, we provide a theoretical basis for in-depth analysis of later articles.

2. Case demonstration method. We have used a large number of case demonstration methods to analyze the status quo of the development of Thai companies, as well as the problems and shortcomings in the development process.

3. SWOT analysis. This paper uses SWOT analysis to analyze the internal advantages and disadvantages of Thai companies in the management and management; and points out the external opportunities and challenges that Thai companies have in joining the ASEAN Economic Community.

4. Case analysis method. This article uses the case analysis method to analyze the successful experiences of European countries joining the European Economic Community and draws inspiration and lessons from it.

### **1.4 Innovations and Inadequacies in this paper.**

The main innovations of this article are based on EU countries, analyzing the successful experience of European companies in joining the European Economic Community and drawing lessons from the participation of Thai companies in the ASEAN Economic Community. This has not been seen in the previous studies. . Therefore, it is an innovation point of this article to propose the countermeasures and suggestions for Thai enterprises to join the ASEAN Economic Community through analysis of this perspective.

The main Inadequacies of this paper is the analysis of Thai enterprises' reference to

European countries' enterprises joining the European Economic Community because the lack of relevant information and the lack of theoretical basis in the writing process lead to the analysis of this part of the article is only logical for me. reasoning. Moreover, due to the current regional economic development situation and the ever-changing international social situation, it is still difficult for the author to carry out systematic analysis on this issue. Due to my limited level and limited access to data, this article lacks an empirical analysis of economic integration. This is an inadequacy of this article, and it is also a problem to be further solved in future research.



## CHAPTER 2 RELATED THEORIES OF THE STUDY

### 2.1 Regional Economic Cooperation Theory

Regional economic integration originated from the European "Equality of Opportunity" and really emerged in the latter part of the Second World War. Since the middle of the 20th century, in order to promote economic development and at the same time to unite with the political needs of the superpowers, countries in the same geographical region have begun to embrace the integration of economic cooperation.

#### 2.1.1 The concept of economic integration

Swedish economist Karl (2001), He believes that "economic integration" applies the European "Equality of Opportunity" to practice. When the economic cooperation between countries eliminates trade discrimination and other trade barriers, the trade opportunities among the member states are equal and they are committed to economic development and expansion of economic scale, the economic cooperation relationship under this model will be successful. Adam Smith's "Division of Labor" and "Specialization" in "The Wealth of Nations" believe that all countries have their own advantages and disadvantages in resources. Through international division of labor and positioning, they can fully exploit the resource advantages of each country, avoid disadvantages, and realize the advantages of cooperative countries. Complementary, can greatly increase economic efficiency, obtain a single country development model, and cannot achieve economic development. Modern regional economic integration refers to the elimination of tariff barriers and other trade barriers between two or more countries in the same geographical area through various trade agreements and policies and the realization of economic cooperation and development.

#### 2.1.2 Regional economic integration organization form

El-Agraa (2000) divided the organizational form of regional economic integration into the following six:

1. Preferential Tariff Agreement (PTA) Preferential tariff agreement refers to a tariff system that allows preferential tariff treatment for imported goods among countries that have signed preferential tariff agreements, while other countries that have not signed agreements do not have access to them.

2. The Free Trade Area (FTA) free trade zone refers to the agreement between a country and a country before or after the agreement was adopted in the region to cancel the tariffs within the region or similar. Other measures were thus formed to form an international economic integration organization. The main feature of this form of free

trade zone is the cancellation of trade barriers among various member states, and the zero-tariff circulation of goods within the free trade zone. However, tariff barriers between non-member countries still exist. What needs to be emphasized is that in the free trade zone, countries still maintain independent internal policies, and no supranational authority will form in the region.

3. The Custom Union (CU) Customs Union means that two or more countries sign tariff agreements, and member states reduce or eliminate tariffs. However, common customs duties are imposed on imports of goods from countries or regions outside the customs union. And foreign trade policy. There is no tariff or other barrier between member states that allow the customs union to allow trade, as in free trade zones. It also plays a coordinating role with non-members' trade policies (eg setting a common tariff rate).

4. The Common Market refers to the multi-country or multi-economy economies. It has achieved the liberalization of trade through the signing of contracts. It not only realizes the harmonization of external tariffs, but also promotes the free flow of multiple production factors within the region. Economic Integration Organization.

5. The economic union economic alliance means that participating countries, in addition to achieving the purpose of the customs union, also formulate certain common economic policies and even use the same currency to realize the free movement of various commodities and production elements in the alliance and establish some The organization of the supranational economic regulation agencies.

6. The complete economic integration of the Super-nation Union is the form in which the regional economic integration reaches the highest stage. At this stage, the form of economic integration, whether financial, economic, or fiscal policy, has been completely unified within the region; the artificial barriers between the main actors in the region that hinder the circulation of production data are fully understood and the economic, legal, and political systems are comprehensive. Coordinate the unified form of economic integration. From the perspective of trends or results, the countries in the region that have achieved complete economic integration have been equivalent to moving from multiple independent economies to a single economy and have expanded from economic alliances to political alliances.

**Table 2-1: The cost of sale drug products forming diagram**

	Special Trade Arrangement	Free Trade Zone	Customs Union	Common market	Economic Alliance	Complete economy Integration
Cancellation of tariffs and quotas	—	✓	✓	✓	✓	✓
Common External Tariff	—	—	✓	✓	✓	✓
Free flow of elements	—	—	—	✓	✓	✓
Unified economic policy	—	—	—	—	✓	✓
Fully harmonized economic policy	—	—	—	—	—	✓

Note: ‘✓’ indicates the policy implemented by the economic integration organization in the region

In 2015, the establishment of the ASEAN Economic Community transformed the free trade zone into a common market, aiming at unifying the market, unifying production standards, and enhancing ASEAN countries' regional market competitiveness. Then, the ASEAN economic community's common marketization has its limitations and it is difficult to achieve comprehensiveness. The full flow of some production factors such as the labor force will only appear in some specific specialized industries. The reasons for these limitations are the concerns of ASEAN member countries that the common market may have adverse effects on internal governance, labor prices, and domestic labor issues.

### 2.1.3 About Common Market Theory

The goal of ASEAN's struggle is to enable the ASEAN countries to achieve a higher level of economic integration than the free trade and customs union—Common Market, also known as the Single Market, that is, in addition to tariff preferences and free trade of goods, It can also realize the free flow of capital and production factors, achieve the maximum allocation and complementarity of internal resources of member states, and do

its utmost to eliminate trade obstacles to promote the common development of ASEAN economy. The theory used today to analyze the impact of regional economic integration comes mainly from the idea of Balassa (2011) that economic integration would have positive or negative effects on the social welfare, or trade creation, of member countries, but at the same time It can fully improve the efficiency of the use of production resources and optimize the allocation of resources among member states, namely the trade diversion effect. Trade creation effects and trade transfer effects can fully increase the efficiency of resource use by member countries, reduce production costs and product sales prices, and promote the further development of domestic and foreign markets. At the same time, as a consumer can also benefit from it, that is, to obtain more affordable goods. The impact of trade creation and trade shift on trading countries has both advantages and disadvantages, requiring specific comparative analysis. The Trade Creation occurs between trading partners. For example, if country A does not reduce the quantity of a product imported from another country (C country), it will increase its import volume from country B by reducing the import tariff of that product from country B, which will cause the import price of the product to fall. A country's increased consumption and reduced production have led to an increase in imports. Therefore, from the perspective of the world's environment and trading member countries, trade creation effects can bring benefits. Trade Diversion means that a country (A country) imports a commodity from a trading partner country (B country) at a lower price than a non-member country (C country). Although the production cost of this commodity in country B is not really lower than that of country C, B has a more favorable price because it obtains lower tariffs from free trade. As a result, Country A reduced its imports from other countries and increased its imports to Country B. This situation is called trade transfer.

## **2.2 Basic Theory and Connotation of Enterprise Management**

After the industrial revolution of the 20th century, the management concept of the company has undergone tremendous changes. The number of laborers used in the production process of products has been reduced, replaced by equipment and machinery; the scale of enterprises has rapidly expanded, and the management of enterprises has become more complex and the rights and responsibilities have not been clarified. In order to adapt to the new business conditions, the company's management theory has also undergone new changes.

### **2.2.1 The connotation of enterprise management**

Lal (2014) in UK, conducted an in-depth study of business management. He emphasized the role of management, especially the role of senior management, and pointed out the principle and focus of corporate centralization and decentralization in specialized areas. The key points of the management of fit and condition are as follows:

(1) The formulation of a plan means that according to the analysis of the external environment and internal conditions of the enterprise, the company's goals to be achieved within a certain period of time in the future and the plan approaches to achieve the goals are proposed.

(2) The division of labor refers to the division and independence and specialization of the production and business activities of enterprises according to the structure of the enterprise, and the responsibilities of each functional department are defined.

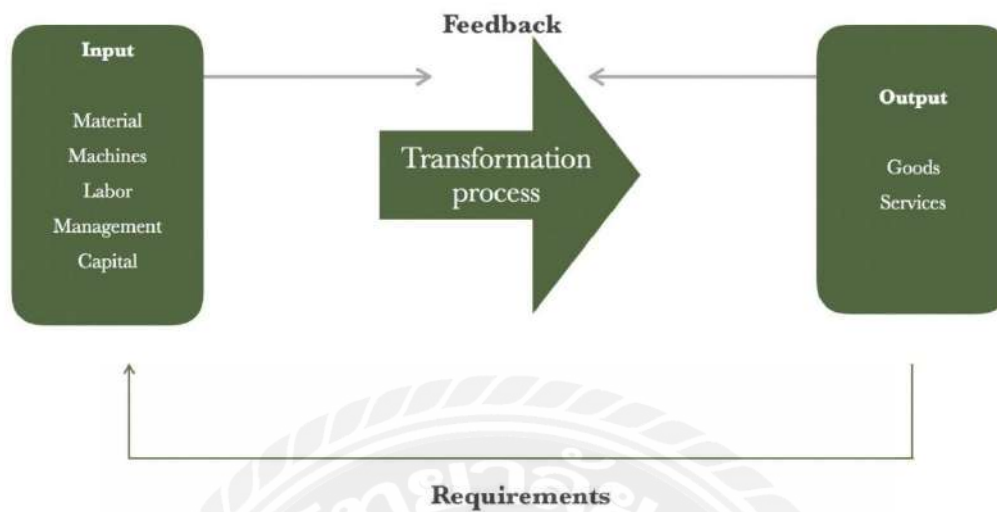
(3) Corporate management refers to the determination of corporate management principles and the development of appropriate management policies.

(4) Corporate communication, clarifying the responsibilities of various departments, and strengthening communication between departments and employees. The company controls and strengthens management at all levels within the company so that production and business activities of the company can be carried out as planned.

Corporate management includes marketing management, financial management, and production management. Through the decision-making, planning, organization, control, coordination of the company's entire production and management activities for effective management and value-added, but also to encourage corporate members to actively achieve the purpose of the company's tasks, This coincides with the view of Phongpaichit (2006) that he believes that improving corporate governance and employee productivity requires the following:

1. Select the right person for a specific job
2. Develop a reasonable method of operation
3. Develop a sound plan and clarify job responsibilities
4. Reasonable compensation

**Figure 2-1: Feedback and Requiements**



Business management, organizing and managing production factors in a scientific way, linking a series of links of supply, production, and sales, rationally allocating elements and making the best use of them, minimizing the loss of value in the production and sales chain, and producing more Of products that meet social needs.

### **2.2.2 The role of business functions in enterprise development**

The five major roles of business functions in enterprise development

(1) Because of the rapidly changing external environment of the company's operations, it is necessary to make in-depth analysis of the environmental factors of the company's development, and to formulate strategic goals, work plans, and specific work policies that meet the needs of the company's development.

(2) The decision-making function is based on the current situation of the company, in order to achieve a specific goal, scientifically select the optimal program and put into effect management functions. The decision-making function is mainly accomplished through environmental prediction, the designation of a decision-making scheme, and the selection of programs and implementation of programs. The right decision can lead the business to success.

(3) The correct application of development functions can promote the rapid development of the company. The development function refers not only to the R&D of production technologies and the innovation of business management methods, but also to the search for scientific methods and tools that can improve management levels and



efficient production and increase the opportunities for corporate competition.

(4) The financial function not only refers to the internal financial management within a narrow sense, but also includes corporate financing, additional investment, and enhancement of corporate value. The efficient use of financial functions can improve the management capabilities of the entire production and management activities including management, decision making, implementation and development.

(5) Public relations functions Public relations functions include not only consumer promotions, but also communication with producers, investors, and employees.

### **2.2.3 The role of management environment in enterprise development**

The research on the development environment and factors of the enterprise is an important tool to determine the direction of the company's development and formulate precise and efficient policies. The factors that affect the development of enterprises are divided into two major categories, namely, external environmental factors and internal factors. External environmental factors refer to the uncontrollable objective economic environment, political environment, social environment, and technological environment. Internal factors refer to the enterprise's own finance, marketing, production management, organization, and corporate culture.

#### **External Environment**

Correctly analyzing the external environment for the development of enterprises will help enterprises to formulate correct development strategies, increase development opportunities and avoid investment risks. The most commonly used method for studying the development of the external environment of the enterprise is the PEST analysis method. Mainly from the following four aspects:

##### **(1) Political factors**

Political factors Include the social system of a country, the nature of the ruling party, the stability of the political power, the government's policies, policies, decrees, etc.

##### **(2) Economic factors**

Economic factors include both macroeconomic and microeconomic. The macroeconomic environment mainly refers to the population of a country and its growth trend, national income, gross national product and its changes, and the national economic development level and development speed that can be reflected by these indicators. The microeconomic environment mainly refers to the factors such as the income level, consumer preference, saving situation, and employment level of the consumers in the areas where the companies are located or in the areas served. These factors directly determine the current and future market size of the company.

### (3) Sociocultural Factors

Sociocultural Factors include the education level and cultural level of a country or region, religious beliefs, customs, aesthetic views, and values. The cultural level will affect the level of the residents' needs; religious beliefs and customs will prohibit or resist the conduct of certain activities; values will affect the residents' recognition of the organization's goals, organizational activities, and the existence of the organization; aesthetic views will affect people. The attitude towards the content of the organization's activities, activities, and activities.

### (4) Technological Factors

In addition to examining the development of technological means that are directly related to the activities in the field in which the enterprise is located, the technological environment should also promptly focus on the state's investment in and support for scientific and technological development. The development of the technology in this area and the total amount of research and development costs, and the transfer of The speed of technology commercialization, patents and their protection, etc.

## Internal Environment

### (1) Organization

The growth and development of a company mainly depends on the "development strategy" adopted in the changing environment and the "organization" of implementation strategies. The organizational structure is to serve the development strategy of the enterprise, and it holds the direction of the navigation of the enterprise.

### (2) Business Strategy

Grasping the development trend of the market, aiming at the market positioning of the company, according to the company's own situation, timely adjust the company's development strategy, and formulate business strategies in line with the implementation. Grasping opportunities in change, developing new products, and rapidly expanding and occupying markets.

### (3) Human Resource and Ability

Having an excellent team can enable the company to steer steadily in the ever-changing market. Strengthen staff skills training and improve professional standards to improve overall production capacity and production efficiency

### (4) Organization Culture

Organization culture is the sum of business ideas, business objectives, operating principles, values, business behaviors, social responsibilities, and business image that are formed in the course of business operations.

#### (5) Other factors

Enterprise internal organization and structure, management system, production process, regulations and other operating factors

### **2.3 Corporate development strategy theory**

Thailongruan (2010) the theory of corporate development strategy first originated from about 1912. It wanted to gradually develop the military's high-efficiency management and apply it to business management, and gradually developed into an independent discipline and art. The company's development strategy will be appropriately adjusted according to the development status and circumstances of the company. Market competition, market consumption demand, production technology and management theory continue to change, so that in order to ensure the stable and efficient development of enterprises, business managers must formulate business development strategies in line with their own circumstances and keep up with the times.

#### **2.3.1 The connotation of enterprise development strategy**

Kothle (1991) believes that corporate development refers to the adaptation of the company to the unknown environment in the future, enabling the company to further operate and achieve its goals. Respond to future changes, use methods and tools that can enhance competitiveness, resolve various discomforts and problems that arise during changes, create new favorable conditions and environments, and ultimately promote the growth and growth of the company. In addition, the establishment and improvement of corporate culture and the presentation of corporate core values also help improve the ability of companies to respond to future market changes. Some scholars believe that management strategy refers to the analysis of corporate environment and corporate resources, guides corporate decision-making, determines the company's business strategy and management strategy, enhances corporate development confidence, advances with the times, and ultimately makes the company operate efficiently and achieves success. Robbins and Kurt believe that all the activities of the company are carried out by the managers around the company's development strategy. They must take the company's production management as the starting point and formulate appropriate development strategies and development plans based on the company's own situation and development environment. Guide the company's production and operation. In sum, the corporate development strategy is a theoretical system about how the company develops. The development strategy is a major choice, plan, and strategy for the development direction, development speed and quality, development point, and development ability of a company within a certain period of time. Corporate strategy can help companies to guide long-term development direction, clear development goals, specify development points, and determine the development needs of the company's needs. The real purpose of the

strategy is to solve the company's development issues and achieve rapid, healthy, sustainable development.

### **2.3.2 SWOT Analysis**

SWOT analysis, also known as situation analysis or analysis of advantages and disadvantages, was first proposed by Albert Humphrey, an American management expert. It is widely used in analysis of the advantages and disadvantages of internal competition conditions and external competitive environment. To enable enterprises to identify their own position, recognize the company's own situation, and accurately grasp the external development situation, formulate corresponding policies to deal with various difficulties and problems in the development, and ultimately guide the healthy development of enterprises.

S (Strengths) refers to competitive advantages, such as technical and technological advantages, tangible and intangible asset advantages, human resources advantages, and texture advantages.

W (Weaknesses) refers to competitive disadvantages such as lack of competitive skills, lack of funds, and lack of talent.

O (Opportunities) refers to the competition opportunities, such as the expansion of customer base or product segmentation markets, market access barriers to reduce the strong market demand can quickly expand.

T (Threats) refers to competition from the external environment, and it is sometimes difficult to distinguish between machines and obstacles. Examples of obstacles that once turned into opportunities are large, such as: Thai baht, competitors, etc.

After analyzing the internal and external environmental factors of the company through the SWOT analysis method, the following four conditions are obtained:

SO Strategy (Advantage - Opportunity)

Also known as offensive strategy, aggressive strategy, or growth strategy. Opportunities should be maximized to maximize their advantages.

ST Strategy (Advantage - Threat)

Also known as a defensive strategy or a variety of business strategies. Care should be taken to eliminate the external threats by taking advantage of their own and external environments, and at the same time adjust their strategies and conduct multiple operations.

WO Strategy (Disadvantage - Opportunity)

Also known as a tuning strategy or a twisting strategy. Can take advantage of external good opportunity conditions to change the disadvantages, so as to achieve a strategic transformation.

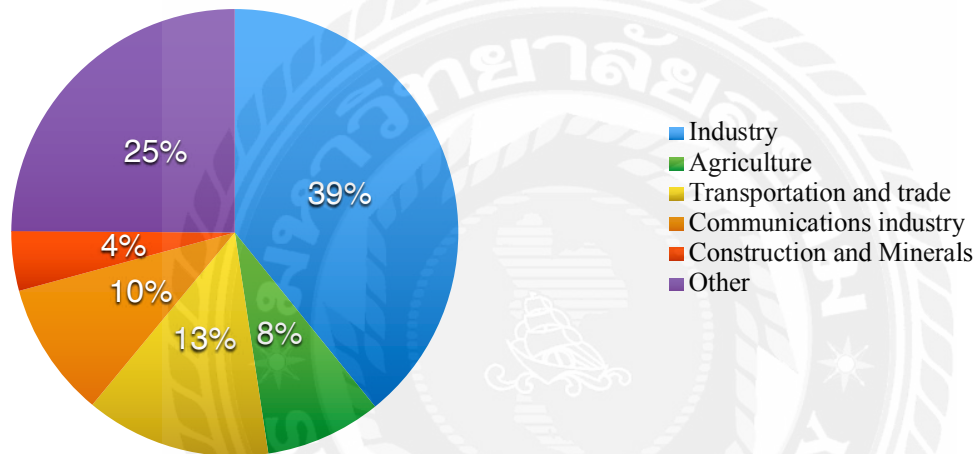
WT Strategy (Disadvantage - Threat)

Also known as defensive strategy or survival strategy. As far as possible to eliminate

or reduce the losses caused by the company's own weaknesses and external difficulties, while closely monitoring the trends of competitors to achieve strategic defense. At the same time, instead of waiting for environmental conditions and considering long-term development, it is better to develop a diversification strategy.

Although the SWOT analysis method greatly contributes to the development strategy of the company, the SWOT analysis method also has limitations. The limitation is that the quality of the listed judgments, the analyst's own experience, professional knowledge, and analytical skills may all cause inaccurate analysis results. The SWOT analysis is just a variety of factors used as a short-term examination of the situation and changes in the use of consultation.

**Figure 2-2: The Ratio of Thailand's GDP in 2015**



## **CHAPTER 3 THE STATUS OF THAI BUSINESS MANAGEMENT**

Thailand is known as the “country of the Golden Axe”. It is rich in land, especially rich in resources, and it is highly soluble in the consumer market. Not only its products are strong in the international market. Competitiveness has attracted a large number of international investors to invest. However, with the transition from extensive business models to modern business management models, many problems have emerged and become more acute. Enterprises seeking sustainable development must, on the one hand, master the changes in the external environment, and on the other hand, must grasp the crux of the problems that affect the operation and management of enterprises, adjust their strategies, continuously improve the efficiency of enterprise management, and steadily move toward a higher level of development.

### **3.1 The basic situation of Thai business management**

#### **3.1.1 Thai Governance and Political Characteristics**

Thailand is a constitutional monarchy. The administrative system adopts the parliamentary democracy. It is also called the constitutional monarchy under the democratic system. In the current constitution, chapter 18 (established by the Thai Buddhist calendar year 2550 that is the Gregorian calendar 2007) Thailand is a business. In countries where there is full freedom of trade, as described in Chapter 3, Part 6 of the Thai Constitution, and Article 43 of the Freelance Profession, “Everyone has the power to operate freely and compete freely. The government must be free and fair, and it cannot Limiting people’s freedom, in addition to safeguarding national security and economic stability, protecting people’s public utilities, safeguarding people’s peace, public order, and good morality, handling social employment order, protecting consumer interests, and protecting natural resources and the environment And people's welfare, prevent monopoly, eliminate unfair competition." Although Thailand promotes free operation, because of the existence of a mixed ownership system, the government still has control and ownership in important public infrastructure industries such as electricity, water power, or banking. In terms of trade, the government, for the sake of national security and protection of the rights and interests of investors, conducts appropriate supervision in some areas, such as the intervention of agricultural product prices and the provision of interest on loans. In the past decade, Thailand has experienced political instability. The turmoil in the situation has made Thailand’s political image negatively affected by investors. Although the government’s focus is still on handling international relations and maintaining regional stability, the government is still trying to promote long-term and short-term economic development in policy formulation. At the macro level, ASEAN promotes investment policies; at the micro level, such as populism, the focus is on stimulating household consumption and increasing currency circulation. The government also provides comprehensive consulting services for private companies, such as product production,

financial consulting, and employee training. Outstanding entrepreneurs in various industries will also receive corresponding incentives. In addition, the country also provides assistance for the development of domestic and international markets, such as the establishment of the Ministry of Industry, the SME Promotion Bureau, the Export Promotion Department, the Ministry of Commerce, and the Thai Industrial Standards Authority. There are also Thai banks as intermediary agencies, responsible for the formulation of monetary policy, through the control of currency and interest fluctuations in the appropriate interest rates to ensure stable economic growth.

### **3.1.2 Economic Characteristics of Thailand**

Thailand's economic system is a hybrid model, a mix of a completely free economy and a planned economy. According to the report of Thailand's office of the national economic and social development board, in 2012, Thailand's GDP reached US\$38.73 billion, inflation was 3.02%, and Thailand's GDP was ranked 29th in the world. The GDP ranks the 24th in the world in terms of purchasing power. Thailand's economy grew 2.9% in 2012, with household consumption accounting for 54.4%, government spending 13.8%, and fixed-asset investment 26.7%. Due to its sustained and stable economic growth, Thailand was rated as an emerging industrialized country.

Thailand's GDP is dominated by industrial and service industries. Industry accounted for 39.2% of GDP; agriculture accounted for 8.4% of GDP; transport, trade, and communications accounted for 13.4% and 9.8%, respectively. Construction and minerals accounted for 4.3% of GDP; other aspects accounted for 24.9% of GDP (including finance, education, hotels and catering). In terms of unemployment rate, the unemployment rate in Thailand is relatively low, showing a declining trend year by year. From 2.5% in 2001 to 0.7% in 2013, this is a low percentage compared to other countries in the world. Thailand's economic structure is mainly export-oriented. In 2013, Thailand's total value of exports was US\$ 229.518 billion, ranking 24th in the world, with a total value of US\$ 247.590 billion, ranking 23rd in the world. The trade deficit was 18.071 billion U.S. dollars. Major trading partners include China, Japan, the United States, Malaysia, Singapore, Indonesia, West Asia, United Arab Emirates, Australia, Hong Kong and South Korea. The main export products of Thailand are automobiles and parts, computer equipment, refined oil, precious stones, plastic pellets and agricultural products. The main imports are in order of value: crude oil, machinery and components, motors and components, chemicals and iron. Thailand's overall economic strength ranks second in Southeast Asia, second only to Indonesia. Per capita GDP in 2012 was low, averaging only US\$ 7,188 per person. Compared with other Southeast Asian member countries, it ranked second behind Singapore, Brunei, and Malaysia. In addition, Thailand is the second largest country in terms of foreign trade volume among East Asian countries, second only to Singapore. The World Bank adjusted the situation in Thailand from middle-income countries to high-income countries. Since 2010, the Thai government has

continued to adhere to the implementation of a major policy that addresses poverty and the distribution of people's income. From the fifth edition of the National Economic and Social Development Plan (1982-1986) to the current version, the number of poor people in the country has dropped significantly, from 42.3% in 1988 to 7.75% in 2010, and the per capita income of the population (GDP Per capita) reached 14,000 US dollars. Unemployment rate in Thailand is lower than the global figure, which only accounts for 0.7% of the national population. According to the prediction of the International Labor Organization, the unemployment rate by 2020 is only 1% of the population. In terms of infrastructure construction, the government continues to increase investment, especially in the transport sector, and plans to spread the economy from the cities to the countryside. For example, the development of dual-track railway systems, the improvement of deep-water ports, and the connection of multiple economic road projects to China, Myanmar, Thailand, Laos, Vietnam, etc.

### **3.1.3 Thai Social and Cultural Characteristics.**

According to the Statistics Department of Thailand, Thailand had a population of 67.10 million in 2013. It is a multi-ethnic country, including Thais, Thai Laos, Thai Vietnamese, Thai Cambodians, Thai-Chinese, and Thai Malay. People and Thais in various mountain races. Compared with neighboring countries, Thailand has less ethnicity and supports the independence and freedom of all ethnic groups. According to a survey conducted by the Dias (2009), there are 1.8 million foreign workers in Thailand, of whom at least twice the number has not yet been registered. It may seem that Thailand is a multi-ethnic country, but because of the strong adaptability and open acceptance of the national habits, all ethnic groups have been harmoniously coexistence and development. Thai society is based on agriculture, making people like to live like a big family, value the elderly, be happy and love each other. Even with the continuous advancement of science and technology and the constant erosion of modern capitalism, it has failed to change the unpretentious features that exist in Thai people. In terms of religious beliefs, about 94.6% of Thais believe in Buddhism and are considered to be the state religion in Thailand. Secondly, 4.6% of people believe in Islam (mostly in southern Thailand), 0.7% believe in Christianity, and other religions and non-religious believers account for 0.1% (Thailand Statistical Institute, 2012). In terms of language exchange, apart from Thai, there are also minority languages spoken in Thailand, such as Chaozhou in China, Lao in northeastern Thailand, and Malay in the south. English teaching is used in many schools and universities, but there are relatively few people who can use English fluently in Thailand. From the 17 Asian countries where English proficiency tests were applied, Thai English skills were ranked 14th, with priority being given only to Laos, Japan and Cambodia (Thailand's office of education council, 2013). However, the globalization of the economy, the rapid development of the Internet, and the rapid spread of information have, to a certain extent, spread the values and culture of the West to Thailand, which has changed the people's beliefs, values, and consumer behavior. Such as the popularity of Western



food, fast food, the consumption of brand-name goods.

### 3.2 Key Issues and Factors in the Development of Thailand's Business Management

Thai companies are affected by many factors in the course of business management, including factors from outside the company (such as political conflicts, relative legal lag, tax redundancy, and lax enforcement, etc.) and internal factors. (For example, the internal management system of the company is not perfect, the cost control is not perfect, the source of funds is narrow, etc.). The author believes that the key issues affecting the development of Thai business management include the following:

#### 3.2.1 Unstable political situation

According to the findings of the "World Economic Forum", the unstable political situation of the government has become the most important issue affecting the development of Thailand, and its proportion has reached 20.2% of all influencing factors. In the past decade, due to changes and fluctuations in the political environment in the country, the lack of continuity in the implementation and implementation of economic policies has directly led to the emergence of conflicts between the public sector and the public. As a result, many domestic parades and turmoil have not only damaged the national image also affects the investment climate and investment confidence of foreign private companies.

**Table 3-1: Problems affecting the development of Thailand**

Problems	%
Unstable government	20.2
Discontinuous State Policy	16.5
Corruption	13.5
Bureaucratic inefficiencies	13.4
Potential lack of innovation	7.5

#### 3.2.2 Thai companies attach low importance to research and development

In 2013, Thai technology research and development expenditure was only 3.1 billion baht, accounting for only 0.26% of GDP. In contrast, Singapore's investment in scientific research has reached 3% of GDP (Siam Commercial Bank, 2014). Researchers are also very limited, with 8.6 R&D personnel per 10,000 population. From the data of recent years, Thailand's scientific and technological development is faced with low R&D investment, insufficient human resources for science and technology, lack of enthusiasm

for independent R&D and participation in R&D by companies. This directly leads to slower new technology upgrades, lower product technology content, lack of product competitiveness, and restricts corporate development.

**Table 3-2: R & D spending as a percentage of GDP in Thai**

Year	R & D spending(billion thai baht)	R & D spending as a percentage of GDP (%)
2009	23	0.25
2010	24	0.24
2011	26	0.25
2012	29	0.25
2013	31	0.26

(Source : Economic Intelligence Center- Siam Commercial Bank data of NESDB and NRCT )

### 3.2.3 The complexity and repetition of the tax system

According to the "2013 Global Business Index of Convenience Index" compiled by the World Bank, it can be seen that in terms of taxation, compared with other countries, the repeatability of taxation in Thailand has a great influence on investors' investment decisions. That is, a company that pays taxes in Thailand accounts for about 26.9% of profits, which is higher than Brunei, Singapore, and Cambodia.

**Table 3-3: Entity tax**

Taxes and mandatory contributions	Statutory tax rate	Tax base	Total tax rate
corporate income tax	20%	Taxable profit	17.89%
Employers pay social security	4%	Total salary	4.12%
Business-specific tax	3.3%	Taxable profit	2%

<b>Taxes and mandatory contributions</b>	<b>Statutory tax rate</b>	<b>Tax base</b>	<b>Total tax rate</b>
Property transfer tax	2%	Selling price	1.21%
Property Tax	12.5%	Assess property value	1.08%
Advertising Tax	2%	Service cost	0.35%
Employers pay workers compensation	0.2%~! %	Total salary	0.23%
Vehicle Tax	THB3600	Fix cost	0.04%
Interest Tax	1%	Interest income	0.03%
Check transaction tax	THB3 / check		0.01%
Fuel tax			0
VAT	7%	Added vaule	0
Total			26.9%

### **3.2.4 The internal management system of the enterprise is incomplete**

Fan (2014) Thai SMEs account for 80% of the total number, and most of them are family-owned enterprises. The management staff is composed of one person or the same group of people. Management and decision-making cannot be efficient because of limited thinking and ability. The phenomenon of inbreeding in family businesses is also very serious, and "private relations" often appear along with promotion and promotion. According to previous studies, it is found that the use of "close relatives" by Thai companies to hire employees is based on the advantage of mutual trust, but it ignores a series of problems such as the inefficient implementation of the "close relatives" and the lack of capacity. What followed was the destruction of corporate organizational climate, the erosion of corporate culture, the reduced level of employee dedication, the impediments to the promotion of outstanding and talented people, and the eventual reduction in the competitiveness of enterprises.

### **3.2.5 Serious Infringement of Intellectual Property Rights**

Although Thailand has a long history of implementing the intellectual property system, the types of intellectual property laws currently in force in Thailand are complete, including copyright law, patent law, trademark law, protection of integrated circuit layout design law, trade secret law, and geographical indication protection law. Department of

law, but the phenomenon of the sale of pirated products is still widespread. From a legal point of view, the existing legal system is still incomplete and unmatched with respect to the extremely rich knowledge and inexhaustible knowledge and human inexhaustible ability to innovate. From an administrative point of view, there are laws in the field of intellectual property that do not comply with laws and regulations, and law enforcement is not strictly enforced. From an economic point of view, the market has not generally established an operating mechanism for the survival of the fittest and the interests of the lawful operations are often meagre, while piracy and infringement are highly profitable.

### **3.2.6 Serious bribery and corruption problems**

Hazen (2014) As we all know, bribery is an unethical behavior in commercial society. However, in Thailand, companies are trapped in this form. In order to obtain monopolistic production and services, 85.9% of entrepreneurs need to pay extra funds or pay bribes to politicians and government officials. The development of a healthy business community needs to rely on the optimal matching of resources, and it needs to rely on market mechanisms. However, the long-standing existence of bribery and corruption that is deeply rooted in Thai society and various industries has long been closely linked to people's lifestyles or has become a part of culture. In the domestic market, bribery has distorted market mechanisms, reduced the efficiency of social resources, and increased the cost of social resources. In the international competitive market, Thailand is gradually facing a decline in its credit rating, and international financial transactions are becoming more difficult. The lack of reliability directly affects the overall development of Thailand. Although the Thai government has been trying to prevent and solve it, it seems that corruption has not been fundamentally solved. According to data from the Global Integrity Index 2013, Thailand ranks 102nd among 177 countries. Compared with the ten ASEAN countries, Thailand ranks fifth. Although the corruption index in Asia is generally lower than the global standard, overall data show that, with the exception of the trend of increasing corruption in Thailand, indicators in other countries have improved to varying degrees.

### **3.2.7 Aging problem**

At present, the aging population in Thailand is increasing year by year in the same direction as the development of the world population structure, and Thailand has gradually entered an aging society. According to the population survey, in 2014, the population of the elderly population was 19.1 million, accounting for 14.9% of the total population, which was double the number of 1997 statistics. In addition, the estimation of the Thai population by the National Economic and Social Development Bureau shows that in 2025 Thai old people will increase to 14.5 million, accounting for 20% of the total population.

**Table 3-4: Total number of elderly & Percentage of population**

Year	Total number of elderly	Percentage of population
1997	4,011,854	6.8
2002	5,969,030	9.4
2007	7,020,959	10.7
2011	8,266,304	12.2
2014	10,010,699	14.9

(Source:Thailand’s Office of the National Economic and Social Development Board)

The aging of the population has begun to have a negative impact on the sustainable development of social and economic enterprises. The problem of population aging will lead to a decline in the quantity and quality of the labor force in the future. In particular, the decrease in the number of manual workers will weaken the ability of enterprises and society to innovate and sustain development. Therefore, some labor-intensive industries either shift their research and development to technology-intensive industries. Otherwise, they will need to introduce a large number of foreign workers to solve the "labour shortage" that has occurred in Thailand.

## **CHAPTER 4 IMPACT OF THAI ENTERPRISES JOINING ASEAN ECONOMIC COMMUNITY AND SWOT ANALYSIS**

Impact of Thai Enterprises' Participation in ASEAN Economic Community and SWOT Analysis of ASEAN Economic Integration in 2015, the economic and trade relations between the ten ASEAN countries will be deepened. Due to the intensification of competition and the deepening of regional cooperation, from the initial focus on trade and ASEAN Free Trade Area (AFTA), ASEAN has stepped up economic regional integration to increase its influence on the world economic stage. It is the reason why ASEAN has established an economic community. The formation of the ASEAN Economic Community will enable the “integration of production bases and markets” of the ten ASEAN countries, and will also multiply the trade and investment markets. The market size population will increase from 500,000 to 200 million to more than 600 million, which will also It is an important turning point in Thai economy and trade. The familiarity with the advantages and problems brought by the formation of the ASEAN Economic Community to Thai companies and SWOT analysis will enable Thailand to see investment opportunities and the challenges it will face in order to adjust strategic plans and enable Thai companies to find new sites in the 2015 Economic Community.

### **4.1 Thailand Enterprises Are Constrained from Joining ASEAN Economic Community**

The constraints imposed on Thailand by the formation of the ASEAN Economic Community are as follows:

(1) The goal of ASEAN in 2015 is to take measures to implement the elimination of tariffs for member states, and Thailand implemented it in 2010. It can be said that joining the ASEAN Economic Community does not require Thailand to reduce any additional tariffs. For Non-Tariff Barriers (NTBs), ASEAN mandates non-tariff measures (NTMs) for non-tariff measures (NTMs), and Thailand promises to cancel non-tariff measures. At present, Thailand is about to complete its implementation. There is only a lack of consultation with relevant departments to find solutions to prevent possible problems.

(2) Increase the number of shares held by corporate investors, and the Priority Integration Sector holds no less than 70%, such as information technology, health, and tourism (completed in 2010), logistics (completed in 2013) , Other service industry requirements are completed in 2015 (except for sensitive industries).

(3) The industry specified in the agreement and the investment liberalization that encourages foreign investment.

(4) Initially the realization of the liberalization of the transfer of funds and the

problems brought about by the process of liberalization, each member state has adequate response and protection measures.

(5) At present, there are already eight areas of the workforce that are free to flow and match the rules of each country. Including: engineers, architects, nurses, doctors, dentists, investigators, accountants, and tourism service workers.

(6) For example: mineral cooperation, SME cooperation, infrastructure cooperation (traffic, technology, information, resources) and so on.

## **4.2 Impact of Thai Enterprises Joining ASEAN Economic Community**

### **4.2.1 Positive impact**

(1) Increase product export opportunities. Since 2010, Thailand, Singapore, Malaysia, Indonesia, the Philippines, and Brunei (ASEAN six countries) have implemented zero-tariff trade policies and relief measures for sensitive and sensitive products. In addition, Cambodia, Laos, Myanmar, and Vietnam (CLMV) also Solved the problem of trade export impediment, promoted ASEAN to form a big market and increase the export volume of Thai products. As a result of the liberalization of trade in products under the ASEAN Free Trade Area, ASEAN countries have become Thailand's largest export market. In 2013, the total trade volume between Thailand and ASEAN was US\$110.055 billion, while Thailand's exports to ASEAN countries amounted to US\$59.318 billion, which accounted for 21.7% of Thailand's total trade volume, which was 4.3% more than 2012 (2014, management of international trade negotiations).

Between 2013 and 2015, the total import and export volume of products from Thailand and ASEAN countries showed an upward trend. Under the agreement on liberalization of products and investment, the rate of increase has gradually increased. The major export products include: motor vehicles and their parts, computers and their parts, edible oils, rubber, and plastics.

(2) Provide product export and investment opportunities. As countries cooperate with each other to reduce or eliminate barriers to product import and export tariffs and other non-tax measures, Thailand will reduce product production costs, low-cost imported products will produce materials and semi-finished products, and ASEAN countries will be able to transfer their business to the market without liberalizing their funds. Saturated country. In any case, ASEAN member countries have restrictions on the proportion of foreign ownership, and these restrictions are an obstacle to the increase in investment. For example, foreigners have limited land holding rights. The solution is to grant long-term lease rights. In addition, there are many influencing factors, such as the minimum investment amount limit, the board ratio restrictions and so on.

(3) Increase the capacity of Thai entrepreneurs. When Thailand and other ASEAN countries carry out business cooperation and share production resources, they can encourage Thai entrepreneurs to better learn from ASEAN countries' trade, tourism, law, capital and political, social, cultural and technological knowledge. Now Thailand What is extremely important is the problems that arise in education, business management, corruption, and accepting bribes, including foreign company efficiency strategies, methods, and regulations, and methods for increasing foreign income.

(4) Enhance Thailand's ability in the world economic arena. The formation of the ASEAN Economic Community has made ASEAN the largest of the world's five largest economies. The projects for expanding ASEAN economic cooperation include: ASEAN plus three, and ASEAN plus China, South Korea, Japan, ASEAN plus six countries, and ASEAN Canada plus Canada, Australia and New Zealand. These will make the ASEAN economic community stronger and more competitive on the world economic stage.

#### **4.2.2 Negative Effects**

(1) Products from ASEAN countries enter Thailand. As ASEAN countries do not have tariff barriers on product imports, the competition among Thai entrepreneurs has become more intense. In any case, Thailand's total exports to ASEAN countries are more than the total imports from ASEAN countries (Figure 4.1). Although ASEAN countries are gradually implementing zero-tariff policies, some countries are still gradually increasing trade barriers to ensure that their domestic industries can survive in the liberalization of market competition. For example, the process of importing ceramic products in Malaysia is quite complicated, and various approval procedures take up to three months, making it difficult for neighboring countries to export to other countries. In addition, the import of automobiles is also quite strict, requiring one company to carry out examination and approval of imports, and only allow large enterprises to import and export cars, while only allowing the import of cars not produced in China. Thailand also imposes time restrictions on the import of many agricultural products. For example, onion can only be imported from August to October every year. Garlic can only be imported from July to October every year. Coconut can only be from January to May each year. Imports from November to December. As for coffee, it can only be imported into the cargo hold department.

(2) Entrepreneurs may be transferred to production bases in other ASEAN countries. If we do not increase the basic production conditions and labor effectiveness that affect investment, and related laws and regulations, and make it advancing with the times, it is possible that Thai companies will shift their production bases to other ASEAN countries that are more suitable for product production.

(3) Affecting the free transfer of labor force. It may lead Thai high-tech employees to



move to other ASEAN countries with better welfare, such as Singapore and Brunei. In any case, even if the labor force is liberalized and transferred, there are other restrictions that make the labor force unable to move freely. Because the member states also have various restrictions on the labor force in order to control the labor force. For example, if you want to work as a doctor in Thailand, you must pass the assessment of the Medical Council. All assessments are in Thai.

### **4.3 SWOT Analysis of Thai Enterprises Joining ASEAN Economic Community**

#### **4.3.1 Advantages of Thai Enterprises Joining ASEAN Economic Community**

Compared with other ASEAN countries, AEC, as an ASEAN economic and investment center, has several advantages:

(1) Geographical location. Thailand is located in the regional center. Compared with other ASEAN countries, it has the largest number of neighboring countries, and the probability of natural disasters is relatively small. Although there was a serious flood in Thailand in 2001, it had a serious impact on the Thai economy, but it was also a disaster that can be prevented and prepared once.

(2) The level of national development. Compared with other ASEAN countries, Thailand has a higher level of development. Most of the Thai people have received basic education, and there are many skilled labor and high-tech talents. At the same time, the public health system is popular, the quality is high, and infrastructure development is rapid. At the same time, the financial industry, order, and various facilities have also developed. In addition, the Thai currency has also been recognized and accepted by neighboring countries, and Thailand's border areas can use Thai baht to trade.

(3) Thailand's financial sector is stable. Entrepreneurs can confidently invest in the financial industry, and the Thai government also has the tendency of financial liberalization.

(4) The size of the country and the market. Thailand's economic development ranks second among ASEAN countries, second only to Indonesia. At the same time, Thailand has a large population and is similar to Myanmar and Vietnam. However, Thailand's income and consumption levels are higher than other neighboring countries. In addition, Thailand has enough local productive investment compared to Singapore.

(5) Economic relations with ASEAN countries. In 2013, the total trade volume of imports and exports between Thailand and ASEAN countries was 75 billion U.S. dollars, which was 15% of the total trade volume of ASEAN countries. It ranked third, second only to Singapore and Malaysia. In addition, Thailand's trade surplus is US\$13.6 billion,

ranking second, second only to Singapore. It is one of the trade surpluses among the three ASEAN countries. It can be seen that Thailand has a dominant position in the ASEAN economic driver, especially in ASEAN countries. The amount of product exports.

(6) The actual economy is connected. Thailand's economy is closely linked with international economic and trade and investment. From the perspective of openness, Thailand's total import and export accounted for 149% of Thailand's total GDP in 2012. It has always relied on foreign investors to invest. Therefore, Thailand has more experience and strength in attracting foreign investment than other ASEAN countries. This means that Thailand is more likely than other ASEAN countries to attract countries other than ASEAN countries to invest in Thailand.

#### **4.3.2 The disadvantage of Thai companies joining the ASEAN Economic Community**

(1) Lack of understanding of the economic community. There is not enough vigilance to become a member of AEC, and most entrepreneurs still do not realize the importance and necessity of becoming an ASEAN member. In addition to big entrepreneurs and business departments that have had contact with foreign countries. Lack of understanding and vigilance may cause difficulties for Thai entrepreneurs. The lack of knowledge and understanding from AEC will result in the loss of more favorable opportunities, lack of preparation, and inability to timely improve their acceptance of influence from AEC.

(2) The number of skilled workers decreases. From the data of the Ministry of Vocational Education, it is found that the number of Thai labor occupations is continuously decreasing. The result of the importance of Thai people to the work image is that the laborious labor is a low return, and the level accepted by society is lower than that of the company's employees. Laborious labor is low-education labor, and job-hopping rates continue to emerge, which hinders the development of skilled labor productivity.

(3) Bring some inconvenience to certain commercial trade. The World Bank ranks the economy from the start and progress of the environment and the regulations and scores the proportion from ten aspects. They are: starting a business, obtaining a construction permit, obtaining electricity, registering property, obtaining credit, protecting minority investors, paying taxes, cross-border trade, executing contracts, and handling bankruptcy. In 2014, out of 189 countries, they ranked 26th. Singapore is at the forefront and Malaysia is at 17th. Although the ranking is not too bad, some aspects are still hindering investment in Thailand. The main ones are: "Starting a business" because the companies that invest and trade in Thailand need to have a lot with Thailand. The contact of government departments is complicated, and the procedures take a long time. According to the statistics of the World Bank, the convenience of starting a business is ranked 75th in the ranking of 189 countries in the world. "Getting credit" entrepreneurs

get limited access to credit, especially small businesses. Not yet perfect, resulting in high cost of Thai currency. The "tax-paying" Thai personal tax rate is 30%, which is higher than other ASEAN countries. The tax system is complicated and complicated, making the competitiveness of other member countries lower in attracting foreign investment. In any case, the Ministry of Resources of Thailand is adjusting tax rules and structure to increase the probability of investment.

(4) National political and management issues. Thailand's slow economic development and intermittent stagnation are due to the influence of the country's political and management system. Such as: national political conflicts, institutional reforms and demonstrations, corruption, bribery and so on, so that the hidden costs of Thai companies increased. As well as the country's management efficiency, various management departments have only one management unit, and there are few connections among various units. When materials are needed, it is usually necessary to contact well-qualified departments to obtain them. This lags behind the work, increases the complexity of work, and makes the division of work scope confusing.

(5) Awareness of rights protection is not enough. The problem of infringement is serious, and repression is not strict enough, especially in terms of songs, movies, and various software devices.

(6) Traffic jam problem. Although the World Bank's Logistic Performance Index assesses six aspects of traffic in more than 160 countries, it includes: 1) the efficiency of customs procedures; 2) the quality of trade and infrastructure related to transport; 3) the promotion of freight competition; 4) Knowledge and ability and quality of transportation; 5) Ability to follow-up commodities; 6) Timeliness of timely delivery, assessment shows that Thailand ranks 35th in these 160 countries, ranking 3rd in the region, only Second to Singapore (5) and Malaysia. However, the efficiency of transportation in Thailand is still not high enough. In particular, the country's capital and some important cities have serious traffic congestion, making it difficult for Bangkok to become an ASEAN transportation and logistics center.

(7) Domestic business service issues. Since 80% of Thailand's enterprises are family-owned (2012 National Bureau of Statistics data shows), corporate standards and forms are not internationalized, and business owners (usually only one) have full management services and decision-making power of the company. In addition, many companies also rely on relationships to act, such as: "go back door," including the purchase of state officials to achieve their own purpose in the wrong way.

(8) Promoting corporate investment laws and regulations. Preferential policies for large corporations, including taxation, many laws and regulations tend to protect large corporations, and do not provide sufficient protection and preferential policies for SMEs

(2010 Industrial Promotion Bureau data display).

#### 4.3.3 Opportunities for Thai Enterprises to Join ASEAN Economic Community

(1) ASEAN Economic Community and countries with favorable trade and economic potential. South Asian countries with China, South Korea, Japan (ASEAN+3) or Australia, New Zealand, and India (ASEAN+6) will help promote Thai traders, including more standardized production and management systems. For personal skills and technology development and cultural innovation. In addition, it also expands opportunities for merchants to reduce the cost of raw materials for free transportation from member states.

(2) The AEC market is similar to the Thai market and becomes a labor and natural resource production base, which is conducive to expanding investment. The similarity of goods and services can encourage each other. The Community makes AEC the largest market area and can exchange the advantages between countries. To enable member states to unite and create greater trading capabilities on the world stage. In addition, various measures are promoted to support AEC to develop faster business. Encourage entrepreneurs to adapt more quickly to changed economic conditions and better use of opportunities arising from trade and investment.

(3) Radical direct investment, the effect comes from the free movement of capital. At present, direct investment is about 20% of investment from ASEAN, followed by Singapore, Malaysia and Philippine. Eliminating investment difficulties will help attract ASEAN domestic and foreign investors, including strengthening the investment climate to compete with countries outside the region, such as China and India.

(4) Making the service industry grow, especially in public health and tourism. Thailand has the ability to gather older people from the current 9% to 12%. In 2022 (Economic Research Center, Bank of Thailand Commercial Bank, 2012), Thailand is well-known and able to manage public health conditions, has advanced technology, has certain standards and capable medical staff. The prices of medicines are relatively cheap compared with developed regions such as Singapore. In addition, the tourism industry also sees significant growth from the increase in tourists, even if it encounters political problems in Thailand and predicts that ASEAN tourism will increase by 8% annually (Economic Research Center, Thai Commercial Bank, 2012) for the next 20 years, Thailand will provide opportunities for regional branded hospitality and tourism entrepreneurs.

#### 4.3.4 The Challenge of Thai Enterprises Joining ASEAN Economic Community

(1) Higher operating costs. The increase in wages in Thailand's labor force has resulted in a decline in price competitiveness. As investors are looking for new sources of investment that have lower labor costs than Chinese labor, investment trends are more

likely to flow to emerging economies such as Indonesia and Myanmar. They are mainly based on production labor. For example, the production of textile industry may migrate to Countries with lower labor force, such as Vietnam, Laos, and Myanmar. In addition, the cost of Thailand's energy and logistics transportation industry is very high. With the rising oil price trend in the world, investors have gradually lost interest in investing in Thailand.

(2) Community has made the measures to create trade barriers more serious. For example, commodity standards, environment, labor, and safety are the factors that lead to increased costs and lost markets.

(3) The skills of the Thai people in using English are still at a low level. In particular, middle-level and above businesses still need to improve their language skills. Because the exchanges between the ASEAN community are mainly in English, if there is no better improvement, they may be robbed of their work with new English skills.

(4) The Thai baht has fluctuations. The influence from the international economic situation may come from domestic issues such as political stability.

(5) The acute occurrence of the new crisis and the global impact. Such as: the global financial crisis, the US financial crisis spread to other countries, the global formation of the Domino model, has a huge impact on Thailand's production industry investment, exports and consumption. Since Thailand still relies on foreign investment, in addition, natural disasters, whether it is global warming, storms, or floods, or plagues, are obstacles to Thailand's economic development. It can be seen that in the ASEAN Economic Community, Thailand is located in the middle of the country and has become a better land transport and water transport center. In addition, Thailand still has a good level of economic development and public utilities as well as a comfortable business environment. It will promote Thai entrepreneurs and stimulate foreign investors, increase export opportunities and international trade. This means that the economy will have lasting development opportunities. As a result of the task of agglomeration as a single market, besides making no import-export tariffs, it still encourages the flow of capital and the freedom of skilled workers to become cost-reduced, expand opportunities, and expand markets in the business. In addition to domestic issues such as political stability, the mandatory use of laws is not enough to protect the property rights issue, including the Thai people's less understanding of the use of English as an official language in the Community and ASEAN regions. The opening of the 2015 ASEAN Economic Community with these issues still unfinished may lead to Thailand losing its opportunities from the economic community.

## **CHAPTER 5 EXPERIENCES AND IMPLICATIONS FOR EUROPEAN NATIONAL ENTERPRISES TO JOIN EUROPEAN ECONOMIC DEVELOPMENT**

The European Community, as the largest and most mature and successful regional economic integration organization in the world today, can not only effectively stabilize the entire EU economy, but also promote the unification of the economy within the region. Each member country is committed to economic development and patriotism. Controversy and international disputes are declining, and cooperation and win-win situation have become mainstream. In the European Community, the European Economic Community was initially established, and the leaders of Southeast Asian countries also intended to lead Southeast Asia to join a European-like community before the establishment of more communities. In any case, Southeast Asia can effectively apply its experience and achievements in the development of the European Economic Community even if the social conditions, economic scale, and various factors in Southeast Asia are very different from those of the European Union.

### **5.1 About the EU Economic Community**

#### **5.1.1 EU Concept**

The European Union (abbreviation: EU-EU) is an international organization established under the Maastricht Treaty (also known as the "European Union Treaty" in 1992). The establishment of the EU promotes the introduction of common currencies and common fiscal policies by EU member states. With free trade, Europe is more emboldened in the international arena; the EU has a population of more than 500 million and GDP is 30% of the world. The European Union is headquartered in Brussels, the capital of Belgium. The EU has 28-member states, Austria, Belgium, Bulgaria, Cyprus, and Czech Republic. Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom and 2013 Croatia.

#### **5.1.2 European Single Market**

The Single European Market is seen as part of the founding results of the European Economic Community, the economic integration of a common market based on the European Coal and Steel Community, the establishment of a single market within the European Economic Community, the realization of goods and services the free flow of people, people, and capital, as in a country, is one of the main goals of the creation of the European Community. The member states mutually reduced or eliminated tariffs and commodity quotas, but the member states that maintain cooperation with non-financial finance, transportation, and energy policies still maintained the original common tariff. In 1987, the EU member states signed the "Single European Act", which aims to form a

unified market for the integration of Europe and to provide for the free movement of labor, goods, services, and capital in all member states in 1993. In order to unify the smooth completion of the market, all member states have been able to reform the decision-making mechanism, as detailed below:

1. Eliminating restrictions on transit crossings so that there are no borders among member states.
2. Elimination of differences between industry standards and commodity standards.
3. Eliminate the difference between VAT and consumption tax.

The success of the European single market in terms of economic effects has led to an accelerated and balanced development of the member countries' regional economies and enhanced regional economic independence. Most of the goods between the member states are free of tariffs and free trade, and trade with non-member countries is also uniquely advantageous, and export subsidies or price support policies that are issued in line with international market prices are implemented. In any case, in 1992 the EU member states signed the "Maastricht Treaty" marking the beginning of a new phase of EC integration. The treaty clearly stipulates the guidelines of the European Monetary Union. The European Monetary Union stipulates the use of the euro as a single European currency, the use of a common fiscal and financial policy, and the central bank until the elimination of the currency exchange barrier among member countries in 2012 to make trade among member states more liberal. Since then, the European Community has been renamed the European Union (EU).

### **5.1.3 Economic System of EU Member States**

Most member countries have complementary economic systems, as follows:

1) Belgium is a country where both industry and agriculture are developed, and agriculture: growing wheat, barley, rye and bleached flax. Industrial: There are textile and glass industries.

2) The natural resources of the Netherlands are relatively poor, relying mainly on the import of certain raw materials to develop industries, such as:

Food industry, electronics industry; Agriculture is mainly based on raising livestock.

3) Luxembourg mainly produces steel.

4) German agriculture is dominated by the cultivation of genetically modified potatoes, rye, and livestock; industries use minerals, Petroleum, coal, coke, and automotive industries dominate.

5) French agriculture is dominated by the cultivation of wheat and livestock; industry is made of steel, automobiles and food.

Mainly processed goods.

6) Italian agriculture is dominated by cultivating wheat and rye; industry is made from bicycles and cars and textiles

the Lord.

7) Denmark is dominated by livestock.

8) Ireland is a country dominated by agriculture and animal husbandry.

9) The coal industry is a major pillar of the British economy

From the perspective of the economic systems of the above countries, each country has production differences but supports each other. For example: the Netherlands, Germany, France, and Denmark all raise livestock; Germany, Italy, and Ireland cultivate feed crops; Luxembourg, France, Germany, and The United Kingdom produces steel and coal; raw materials used in Germany, France and Italy will continue to be used in the automotive industry.

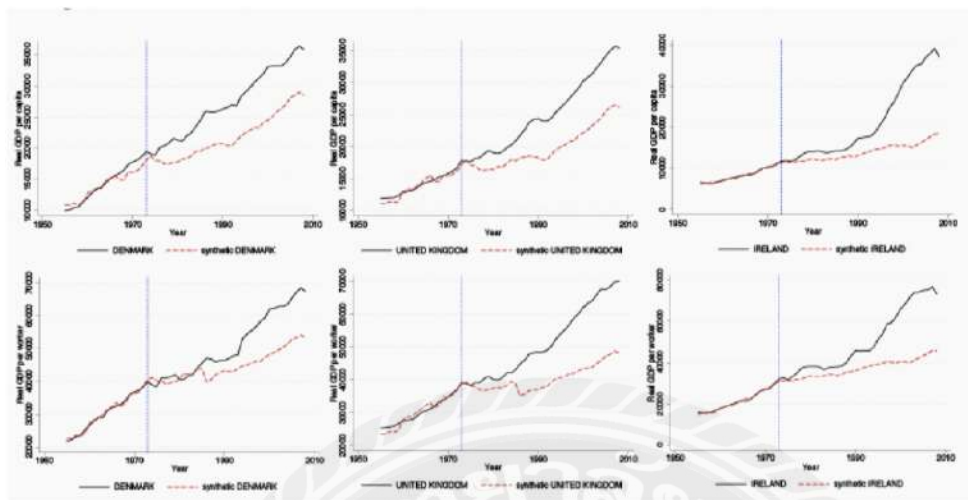
## **5.2 Experiences of Business Development in Countries under the European Economic Community**

John, (2008) One of the important factors for the successful development of the European Economic Community is the mutual benefit between the member states, deepening economic and trade cooperation, and promoting common development. This is also an important factor in enhancing the influence of member countries; for example, France's profit from the expansion of the agricultural product market, Germany's expansion of the industrial market. The benefits of labor migration.

A chart showing the state GDP growth of member countries shows that not only poor countries benefit from the technology and economy of the developed countries, but also that the economic powers like Britain, Denmark and Ireland have high GDP since they joined the EU.



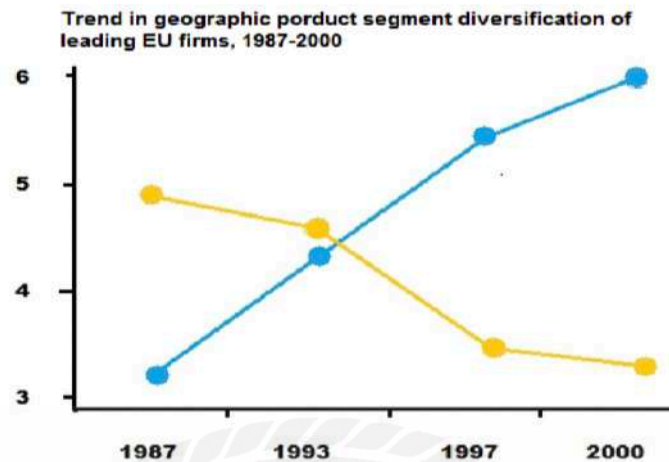
**Figure 5-1: Actual and synthetic real per capita GDP and real per worker GDP in the 1973 EU enlargement**



(Source :Nauro F. Campos, Fabrizio corice luigi moretti the needle and the camel RIch countires)

From the research report of Harry P. Bowen, 2012, it was discovered that large European companies have relied on diversified development to develop in the core areas and increased investment production in various regions of the world. The above-mentioned European companies have reduced their costs by focusing on their own core areas and on economies of scale. The (economies of scale) has advantages and benefits and became a common market for expanding business between different countries during 1987-2000. The scale of operation of European large companies has been reduced from 5 on average to 3; however, the number of sides of enlarged investment has increased from only 3 to 6 on average.

**Figure 5-2: Large European Companies Rely on Diversified Development to Core Area Development**



Source: Harry P. Bowen (2008) European integration the Third step

In addition, it shows that the use of European company strategies has been successful. Being a market leader must give development research and advertising a certain degree of importance. The production results of the top five companies indicate that it is important to develop research and advertising 30% before setting up a single market in Europe, but after establishing a single market in Europe, it is 45%. This strongly suggests that large companies all recognize and significantly increase the use of this strategy in the market share, especially advertising has a very important role. Advertising plays an important role in accurately expanding the market and conveying brand positioning information to consumers.

### **5.3. The EU is Worth Where ASEAN and Thai Enterprises Learn**

#### **5.3.1 EU deserves reference from ASEAN companies**

The analysis of the goals of ASEAN's establishment shows that ASEAN's joint cooperation does not reach the level of the common market, but the economic community can be said to be a collection of free trade zones, and the degree of capital and labor mobility is limited. Looking into the future direction of development similar to European economic and financial communities, it is more difficult to achieve.

The European debt crisis shows that the economic and financial differences between member states and not yet ready to go will likely lead to the failure of the region. Not to mention the combination of political and economic differences among ASEAN member states, safeguarding the sovereignty of ASEAN member countries makes it more difficult to establish organizations that exceed the EU. Therefore, the integration of ASEAN is loose. There is no fixed provision, and any decision of ASEAN must be approved by all member

states before it can be implemented. This will make the implementation of the policy very slow. However, any ASEAN decision is deliberated by the member states, and it is a decision that has a practical effect on its own country and the EU as a whole. Difference between EU and ASEAN

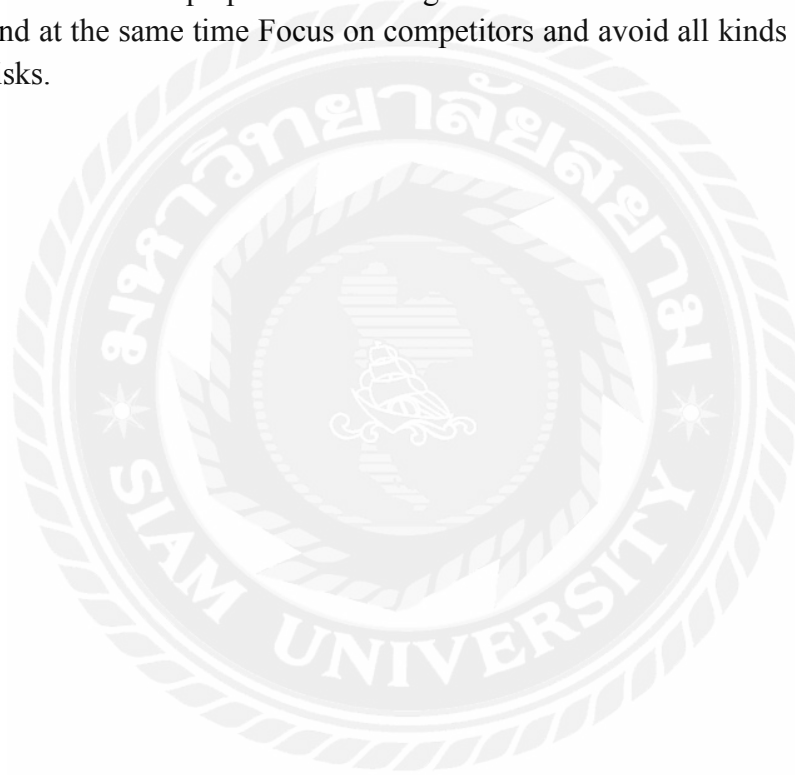
**Table 5-1: Comparison between EU and ASEAN**

Content	EU	ASEAN
Trade tariffs among member countries	Zero tariff	Zero tariff
Investment liberalization	All free	Limit direct investment
Service Trade Cooperation Ratio	100%	70%
Labor migration	Free migration of labor force	Free migration of skilled labor
Non-member trade tariffs	Compulsory use of uniform tariffs	National standards
Currency	Euro	National legal currency
Form	Beyond the country's central authority	The highest decision is in the country

### 5.3.2 EU deserves reference from Thai companies

Compared with the EU, there are differences in the form of ASEAN alliance or the depth of alliance. However, Thailand can learn from the successful experiences and failures of the EU's development and apply it to ASEAN cooperation. Therefore, first of all, the government should promulgate positive policies to promote domestic economic development to meet the ASEAN challenges, and legislation should guide capital flows to infrastructure construction. Subsidiaries should quickly adjust their development strategies, base themselves on fundamentals, seize opportunities, and realize strategic transformation. Leading Thai companies such as Chareon Pokphand Foods PCL. have reduced the cost of their businesses through economies of scale and achieved rapid expansion in ASEAN

countries through increased investment and joint ventures. In addition, improving company's production and operation efficiency, increasing scientific research and development, attaching importance to personnel training, and improving management decision-making power are still the key to reducing costs and achieving rapid development. In general, Thai companies' research and development capabilities are still relatively weak. The increased pressure from ASEAN countries is not new to Thailand. Because the Thai economy has always been relatively open, it has strong links with the external economy. However, ASEAN has established a more excellent platform with more detailed and clear standards, making the trade and investment within the ASEAN region more smooth and convenient. Therefore, in a highly competitive environment, on the one hand, we should seize the advantage that the company's own professional strengths and strengths, on the other hand, we should keep up with the changes in trade standards and rules, keep up with the times, and at the same time Focus on competitors and avoid all kinds of consequential economic risks.



## CHAPTER 6 CONCLUSIONS AND SUGGESTIONS

### 6.1 Conclusion

The ASEAN-ASEAN Community was established in 1967 and currently has 10-member countries such as Thailand, Indonesia, Malaysia, Philippines, Singapore, Brunei, Cambodia, Laos, Myanmar, and Vietnam. In 2003, ASEAN leaders expressed their intention to establish the ASEAN Economic Community. In order to strengthen regional competitiveness, the cooperation includes the following three areas: ASEAN Political Security Community (APSC) and ASEAN Social-Cultural Community. -ASCC) and the Economic Community (AEC). Its purpose is to support unity and full cooperation. According to the "ASEAN Charter", a basic framework for the establishment of laws and regulations, the scope of the ASEAN member companies to implement the scope of responsibility and the "ASEAN Economic Community Blueprint - ASEAN Economic Community Blueprint" into implementation in accordance with the relevant AEC obligations. Being one of the member countries of the ASEAN Economic Community in 2015 will be binding on Thailand, such as

(1) Trade liberalization through the reduction of import tariffs, (2) liberalization of trade in services, (3) liberalization of investment, (4) liberalization of capital flows, (5) liberalization of labor flow, (6) implementation of work cooperation, etc. . These changes will have a positive and negative impact on Thailand's economy, such as: Increasing Thailand's trade and investment opportunities. It will also help improve the ability of domestic entrepreneurs to exchange knowledge in all aspects for sustainable economic development. As for the negative effects of integration, such as: This will allow more goods to flow from abroad to Thailand and may allow investors to transfer production bases to other member countries, which will result in higher labor costs in Thailand than in other member countries.

From the SWOT analysis of Thai companies joining the ASEAN Economic Community, it can be seen that in the ASEAN Economic Community, Thailand is geographically located in the middle and is a better land transport and water transport center. In addition, Thailand has a good level of economic development and public utilities, as well as a comfortable business environment, will promote Thai entrepreneurs and stimulate foreign investors, increase export opportunities and trade. This means economic sustainable development. As a result of the task of aggregating into a single market, in addition to leaving no import export tariffs, capital flows and the freedom of skilled workers are encouraged to reduce costs, expand opportunities, and expand the business in the business. In addition to domestic issues, such as political stability, the mandatory use of laws is not enough to strictly protect property rights, including the lack of understanding of the community in the Thai community and the use of English as the official language in the ASEAN region.

From the experience of the integration of the European Economic Community, it has

been found that economic and social integration is beneficial to all member countries, and that economic success must be to promote each other's economy and member states provide reciprocal benefits. The study also found that one of the factors that has caused the rapid economic growth of the member states of the European Community is that companies focus on product R&D and in order to fully benefit from the economic community, the government needs to take measures to encourage domestic companies to compete for national and regional markets. Limit the use of effective legal efficiency, including infrastructure investment. For the development of the national basic economy. Private companies also need to appropriately improve their corporate strategy based on expanding and managing capable and advantageous businesses.

### **6.2.1 Countermeasures and Recommendations of the Thai Government in Support of Economic Integration**

(1) Publicity should be communicated to the public as well as to the company's understanding of the impact of the opening of the ASEAN Community in 2015. In order to prepare for possible problems, including promoting and promoting the ASEAN free trade agreement privilege, entrepreneurs can gain a deeper understanding of the benefits of using economic plans to increase market share from the future.

(2) The promotion of investment by ASEAN member countries means that there are favorable policies to promote the investment of Thai operations abroad, and an agency responsible for promoting investment is set up. In addition to serving as an investment message, it also serves as an intermediate coordinator of the national economy and government that will invest soon. .

(3) Develop laws that affect business operations to modernize and protect consumers more rigorously. Because some of the laws of Thailand were written decades ago and have not been modified to adapt to the current situation, they are the channels through which lawmakers abuse their legal loopholes. In particular, the issue of strictly implementing the law on the protection of intellectual property, including laws that should protect domestic entrepreneurs and consumers, such as: increasing import standards, in order to protect domestic enterprises from importing cheap goods while preventing the simultaneous prevention of low quality, is still protecting consumers. The quality of goods and encourage companies to find better products while reducing the cost of development.

(4) There should be institutions responsible for encouraging and promoting the potential role of domestic enterprises. For example, the establishment of economic development strategy training institutions, in particular, more emphasis on innovation and development, through the cooperation of the government and the private sector, expand the trade market towards ASEAN member states.

(5) Enhance competitiveness and improve the infrastructure of public utilities, and make the infrastructure system accessible to each region. Especially in terms of logistics and people's technology, in order to facilitate and reduce the cost of trade and attract foreign investment.

(6) Improve the government's working system to make it faster. Such as: reducing customs clearance procedures, making imports and exports more efficient and convenient.

(7) Carefully promote and reform education. Such as: vigorously develop students' vocational education and promote English learning, including encouraging the public and companies to learn the languages, cultures and customs of member countries.

## **6.2.2 Countermeasures and Suggestions for the Development of Thai Enterprises**

### **(1) Measures to strengthen the marketing strategy of Thai companies**

Analyze and understand one's own economy, in order to realize the advantage of development, eliminate the ongoing weak economy, this will become the advantage in planning future economic development so that it can establish the advantage of the enterprise. At the same time, efforts are being made to find ways/strategies to reduce all weaknesses, thereby increasing the competitive potential of companies in the market. In particular, information on consumer behavior in ASEAN member countries' markets. Market demand, sales channels, and procedures for ASEAN preferences. In addition, business partners should also be established to increase regional market network alliances, since Thai companies are mostly small and medium-sized enterprises (SMEs) and often have incomplete products/services. Therefore, finding partners is to help build a stronger market foothold. It can provide more complete services and will also help establish markets and expand more business channels. In addition, you can improve your ability to negotiate with larger companies. Operators should follow government policies and measures in order to help with business planning and enhance their competitiveness. As the current government agencies have the potential to develop economic and more concrete rescue measures plans, at the same time, there is financial support and strengthening of the company's continued competitiveness, that is, all only benefit the operators.

### **(2) Measures to Improve Production Capacity of Thai Enterprises**

It is possible to strengthen the business from the production chain management plan, enter the AEC will be a beneficial resource allocation, and realize the production chain resources and materials that have the potential to produce a variety of products, which will help improve the efficiency of enterprise production cost management. For example, use natural resources and raw materials from CLMV countries, use intermediate industrial

products and capital goods from Vietnam, or make advanced technologies such as Singapore and Malaysia. The introduction of technology is used for economic benefits. It will help increase the work rate, including the reduction of production and business costs. It also includes the development of innovations that will help increase the value of products and services. In addition, in the era of rapid development of the Division, companies must adapt to the rapid and advanced communication technologies of the modern world in order to meet the needs of customers for fast and reliable products and services. However, companies should research and use appropriate and necessary technologies, including capital and business aspects, and companies should aim to generate higher benefits.

### (3) Measures to strengthen organizational effectiveness in Thailand

The work flow should be improved to make it a complete system, so that the internal operational affairs become a system, so as to reduce unnecessary work, especially file procedures, and become an important cost for the business. In order to make the business more effective, this will help the company improve. Competitiveness.

### (4) Countermeasures and Suggestions on Perfecting Human Resources Management in Thai Enterprises

Human resources management is particularly important for government and private companies. Any organization that constantly pays attention to the development and change of human resources will lead to the sustainable development of business objectives and improve the overall competitiveness of the country. However, human resource knowledge has become an important knowledge. Workers engaged in this area should focus on finding, tracing, and seeking knowledge in order to constantly improve themselves. Entering the ASEAN Economic Community, 2015 has become a major challenge for the Thai economy. As the ASEAN countries are virtual markets and production bases, there is a flow of goods, services and free investment between each other, so that the government and the private sector must speed up to adapt to the approaching future. competition. Therefore, operators should learn and understand how to join the ASEAN Economic Community in order to prepare for timely changes in the economy. It can begin to consider and analyze its own economy in order to make the strong-weak items get better development and improvement. Including the potential of using technology to develop the economy, at the same time, it should be used to become the only market and production base in ASEAN. In order to manage the raw material costs of the chain companies, it will bring greater benefits, as well as the establishment of business partners for the future expansion of operations.



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