



A Study of Competitiveness Performances, Problematic Factors on Doing Business and Opportunities of Industrial Expansion in ASEAN Markets

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Abstract

The purpose of this research was to: 1) study Thailand's competitiveness performance ranking from 2012–2017; 2) examine the country's problematic factors for doing business from 2012–2016; 3) investigate its old core industrial problems and opportunities in expanding markets; and 4) explore guidelines in enhancing national competitiveness and collaboration among ASEAN countries. The study was based on Documentary Research and Qualitative Research by conducting In-depth interview and Focus Group from qualified person as key informants among four groups: policy-making group, implementing group, stakeholder & academics group and entrepreneur & private sector group, including two potential industries with 20 persons.

In the Global Competitiveness Report of the World Economic Forum, Thailand's competitiveness over the past five years was improved from the 38th in 2012–2013, and ranked 34th in 2016–2017. The GDP trend per capita of Thailand has been steadily rising during the past five years (2012–2017), and the peak reached \$5,742.30 in 2016–2017. However, it is still out of the group of countries that rely on performance are Efficiency-Driven Economies, well-known "Middle Income Trap." The most problematic factors on doing business of Thailand from over the past five years 2012–2016 from World Economic Forum (GCI 2012–2016) are: 1) Government Instability; 2) Inefficiency Government Bureaucracy; 3) Corruption; 4) Policy Instability; 5) Insufficient Capacity to Innovation; and 6) Inadequately Educated Workforce. The overall of second-core industrial groups in Thailand have opportunities to develop value and expansion markets by taking benefits in ASEAN markets form trade agreement, technology and competition. Thus, an alternative strategy in developing Thai industries to achieve economic competitiveness, get opportunities to develop value added and expanding markets is in the second-core industries: 1) Clothing and textile industry and 2) Gem and jewelry industry. As a result of the study of both micro and macroeconomic strategies, Thailand should adopt an Aggressive Strategy because Thailand has potentials for production and location as the geographical hub in ASEAN.

Keywords: Competitiveness, Problematic Factors on Doing Business, Old Core Industry, Potential Industry, ASEAN Countries

Introductions

Competitiveness is a factor which needs to be considered. At present, many global organizations use various indicators to determine and measure competitiveness. For instance, Global Competitiveness Index (GCI) uses many indicators to measure several factors. Today, the index factor accepted and used worldwide is the World Economic Forum (WEF) which applies the Global Competitiveness Index (GCI) based on three main factors: 1) Key for Factor-driven Economies; 2) Key for Efficacy-driven Economies; and 3) Key for Innovation-driven Economies. This index measures the competitiveness in each country by considering the three factors for ranking each year together with its GDP per Capita. According to World Economic Forum (2017), the WEF uses the Stage of Development divided into five groups of development: Group 1 is countries with GDP per capita less than \$2,000, using Factor-driven Economies; Group 2 is countries with a transition from Stage 1 to Stage 2, having GDP per Capita around/about \$2,000–3,000; Group 3 is countries with GDP per Capita about \$3,000–9,000, using Efficiency-Driven Economies; Group 4 is countries with a transition from Stage 2 to Stage 3, having GDP per Capita about \$9,000–17,000; and Group 5 is countries using Innovation-driven Economies with GDP per Capita more than \$17,000. Thailand is classified in Group 3 which applies Efficiency-Driven



Economies as its economic drive. However, the country has been in the “Middle Income Trap” which makes it difficult to increase the population’s GDP per Capita and enhance the industrial groups. As a result, it is necessary to study ideas and attitudes of experts in doing business, leading entrepreneur groups, scholars and those who play important part in doing business from the past to the present towards economic problems in Thailand. This probably reveals factors which cause those middle-income-trap problems.

If Thailand wants to get out of that situation, it needs to develop and enhance the core industries in the country by asking questions: What are main industries which still remain? What industries does the National Council for Peace and Order (NCPO) government support? What industries have future growth opportunities? How is Thailand prepared to increase its competitiveness and the opening of the ASEAN Economic Community (AEC)? And How will Thailand align its policies in cooperation with other ASEAN countries? Moreover, the opening of the AEC investment will liberalize opportunities for free movement of skilled workers and result in intense competitions in the labor market. Therefore, various professions in Thailand need to develop skills to cope with such competitions, and this requires workers to focus on the use of English language. In terms of education, Thailand has disadvantages when compared to other competitors in the ASEAN region, especially Singapore and Malaysia (ASEAN Economics Community (AEC), 2016). Thailand thus needs to accelerate its adaptation to seek the opportunity of opening free trade services and investment liberalization to fully benefit the Thai economy. Given the importance of the issue, Thailand should have a capacity to compete in the ASEAN context, especially in industrial clusters.

This study focused on the overall issue of Thailand Competitiveness by Global Competitiveness Index (GCI) of Global Competitiveness Report from World Economic Forum. World Economic Forum (WEF) determined factors used for assessment competitiveness, named as Global Competitiveness Index (GCI). Over the past five years (2012–2017), Thailand’s comparative studies on competitiveness performance ranking aimed to look at development and competitive capability, including the overview of the country’s gross domestic product per capita (GDP per Capita). As Thailand has not yet stepped out of the “Middle Income Trap,” it is necessary to further study major factors that cause problems in its business operations and key industries. The realization of such problems in the future can increase the country’s economic growth, competitive capacity and good cooperation in the ASEAN Community.

Purposes of Research

1. To study the Thailand competitiveness performance ranking during 2012–2017
2. To examine problematic factors for doing business during 2012–2016
3. To investigate Thailand’s problems in traditional core industries and those with more added value and marketing opportunity
4. To seek for guidelines in enhancing national competitiveness and collaboration among ASEAN countries

Literature Reviews

According to ASEAN member countries’ leaders, their collaborated vision is to establish high competitiveness, have working rules and regulations, and create people-centeredness (people participation) in ASEAN Economics Community (AEC). The main purpose of uniting AEC is to build a strong community; set up prosperous economy;



create opportunities; and handle challenges in politics, stability, economy and new forms of surrounding threats whereas people still have better living and hold economic activities in the united ASEAN (The Department of ASEAN Affairs, Ministry of Foreign Affairs, 2012).

Thailand Competitiveness in the context of ASEAN, South East Asia region or ASEAN has played more role in an economic stage in a world trade economy, especially after ASEAN has succeeded in establishing ASEAN Free Trade Area (AFTA) where 10 member countries collaborate to support each other's trade, reduce custom tax and cancel non-tax measure. Later, ASEAN has continuously strengthened its economic growth by agreeing to work together as ASEAN Economic Community (ASEAN Economic Community), similar to the European Economic Community (EEC). From this point, AEC has become a large market size which has population of 636 million people as a vital world production and export base which could attract more Foreign Direct Investment (FDI). With the USA's recent recovery from Hamburger Crisis and the European Union's severe (public) debt crisis, it is expected that the ASEAN unification could be an interesting engine of world economy which attract trades, investments and capitals to turn a world economic direction into this region. Therefore, Thailand should promptly find a path of opening free trade, service and investment to optimize Thailand economy (Kanitpong, 2010, p. 73).

Coping with fiercer competitive world economy, many countries focus on developing their mechanism for more potential economic stimulation. To seek for competitiveness development guidelines in competing with others, many countries support and promote Research and Development (R&D) by emphasizing the study of readiness on domestic economic basis, including other factors affecting national competitiveness such as opportunity, strength, or negative factors such as weakness and threat to find way of further improving national competitiveness. Indonesia, for example, had conducted research studies on competitiveness in 33 states throughout the country by using four factor indicators: macroeconomics, microeconomics, corporate governance and quality of life. These indicators were explored by Khee G. Tan and Mulya Amri (2013) who found that high competitive areas in Indonesia comprised of two major parts: 1) states that are main or large cities of the country; and 2) states located near or on the border of Singapore. Regarding Vietnam, a research team led by Wen-Jen Hsieh et al. (2004) conducted research to analyze the country competitiveness with five indicators: economic potential, technology development, human resources, management and productivity. The result revealed that, influenced by the first factor, Vietnam had a good economic system and potentials in economic competitions.

SWOT theory presented by Albert Humphrey presented in the seminar exhibition at Stanford University in 1960-1970 has the main principle SWOT Analysis focusing on two sides of environment surveys: internal and external. The theory basically analyzes strength and weakness to know oneself and the environment to know others, including opportunities and threats. The SWOT analysis of factors, both internal and external environment, help executives know changes outside their organization, event, activities and future trends, including impacts of those changes affected to the organization's strength, weakness and competence that the organization has. The information acquired through SWOT Analysis is beneficial to determine visions, strategies and suitable activities of the organization. The organization's strength is internal capability used for achieving goals whereas its weakness is internal capability that breaks down operation outcome and opportunity to achieve goals. The threat among environments is a particular circumstance or situation that obstructs organizational goals. In this study, the SWOT Analysis' results (Department of Industrial Promotion, 2015) were applied to find guidelines in determining visions and strategies for suitable development in organizations.



Research Methodology

This study is an applied research of Documentary Research and Qualitative Research using the strategy of Grounded Theory (Creswell, 2013). Sample population of qualified persons as key informants were divided in four groups: 1) Policy-making group (three persons); 2) Implementing group (three persons); 3) Stakeholders & academics group (four persons); and 4) Entrepreneur & private sector group from second industries (10 persons). They were asked in in-depth interviews, and the focus group were composed of twenty key informants. The business overview and entrepreneur operations were studied as the state policy leading to concrete practices. The study revealed that the main industry of Thailand in the past was textile industry, garment industry and gem and jewelry industry, and the latter has the opportunity to expand its market as follows.

Table 1 Major industries with potentials for expansion

Rank	Types of Industries	Potential Target Industries
1	Clothing and Textile Industry	The main industry groups to consider
2	Gem and Jewelry Industry	Opportunities to develop value and expand the market

Source: ASEAN and Asia study Center. National Institute of development Administration.

Tools and statistics for Data Analysis: Interview guide, Qualitative data collection used In-depth Interview and Focus Group Discussion. Before the actual data collection, the researchers conducted an experiment storage (Pilot Test). The Secondary Data included: research books / textbooks / journals / research / academic publications related data / Internet to be scrutinized with the compiled data. The data analysis was used in designing tools: Qualitative Analysis, Validation and Reliability. The methodology of verification was also applied, including Triangular data validation and Content Analysis based on information from the document and Descriptive Analysis (Chantavanich, 2014, pp. 129-130).

Results and Discussion

1. Study of Thailand’s Competitiveness in 2012-2017

By studying the competitiveness ranking and Gross Domestic Product per Capita (GDP per Capita) from the World Economic Forum (WEF) to the Global Competitiveness Report, a comparative study of Thailand’s competitiveness during 2012-2011, it was found that its 38th rank in 2012-2013 dropped to 37th 2013-2014. Its ability to compete at a very high position in 2014-2015 ranked 31st, rose slightly to 32nd in 2015-2016. In 2016-2017, the 34th had some fluctuations. It is necessary to find factors that affected the results by considering that each year the country’s ranking number was not stable.



Figure 1 Thailand’s Competitiveness in 2012–2017 from The Global Competitiveness Report

Source: The Global Competitiveness Report 2012–2017 (World Economic Forum, 2013; 2014; 2015; 2016; 2017)

According to studies of Thailand’s gross domestic product per capita (GDP), it was found that the ranking was likely to increase during 2012–2017. In 2016–2017, the GDP was highest at 5742.30. However, it could not move beyond the Efficiency–Driven Economies or a country’s Gross Domestic Product per capita (GDP per Capita), equally \$3,000–\$9,000 acknowledged in the “Middle Income Trap” country.

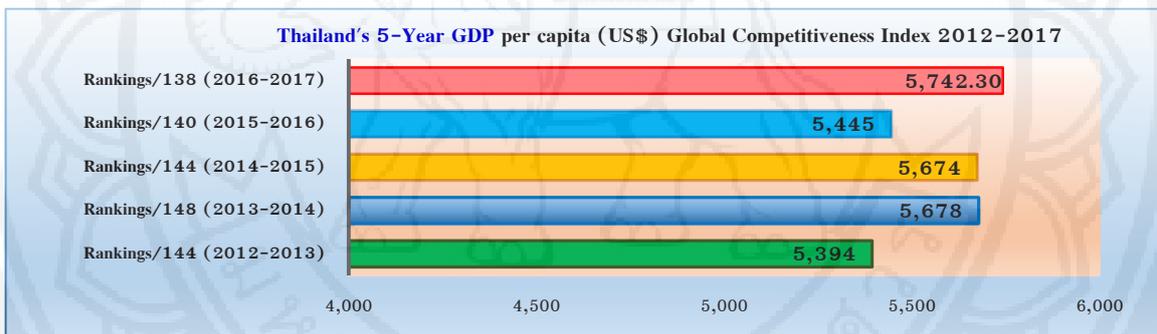


Figure 2 Thailand’s gross domestic product per capita (GDP) from the Global Competitiveness Report

Source: The Global Competitiveness Report 2012–2017 (World Economic Forum, 2013; 2014; 2015; 2016; 2017)

2. A study of the Most Problematic Factors for Doing Business in Thailand's s from year 2012-2016 from World Economic Forum: WEF in term of the Global Competitiveness Index: GCI.

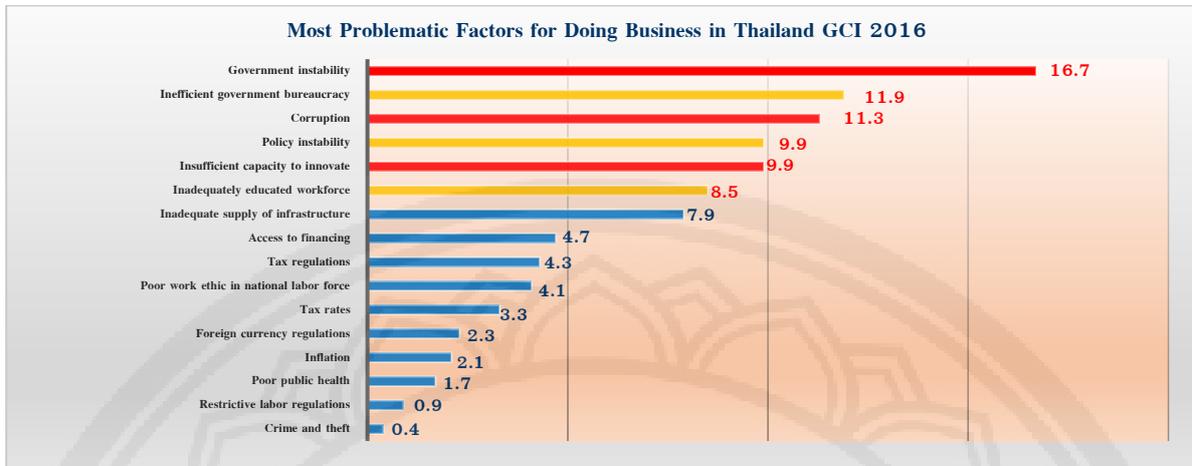


Figure 3 The most problematic factors for doing business in Thailand in 2016 from GCI

Source: The Global Competitiveness Report 2012-2017

(World Economic Forum, 2013; 2014; 2015; 2016; 2017), adapted by the researcher

According to the study of the most Problematic Factors for Doing Business in Thailand in 2012-2016, it showed that the main problems were caused by, the most to the least: 1) Government instability/coups; 2) Inefficient government bureaucracy; 3) Corruption; 4) Policy instability; 5) Insufficient capacity to innovate; and 6) Inadequately educated workforce.

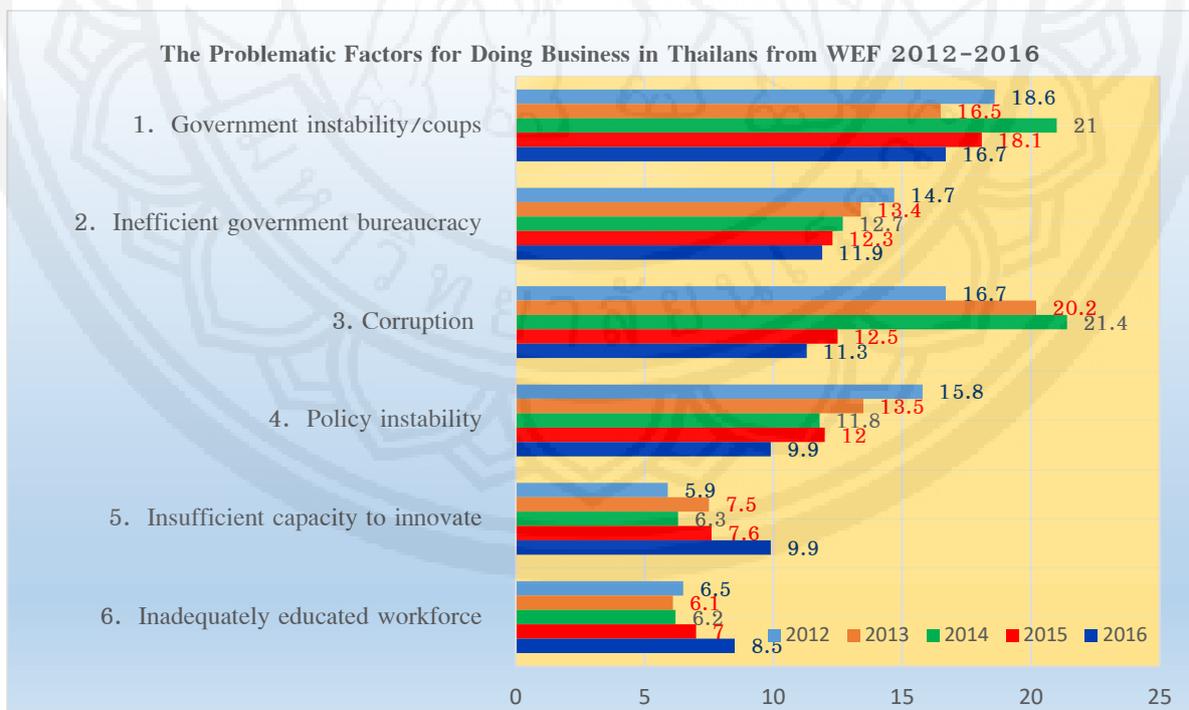


Figure 4 The Most Problematic Factors for Doing Business in Thailand by WEF (GCI 2012-2016)

Source: The Global Competitiveness Report 2012-2016 (World Economic Forum, 2013; 2014; 2015; 2016; 2017)

**Table 2** The Most Problematic Factors for Doing Business in Thailand by WEF (GCI 2012–2016)

The Most Problematic Factors for Doing Business in Thailand	2012	2013	2014	2015	2016
1. Government instability/coups	18.6	16.5	21.0	18.1	16.7
2. Inefficient government bureaucracy	14.7	13.4	12.7	12.3	11.9
3. Corruption	16.7	20.2	21.4	12.5	11.3
4. Policy instability	15.8	13.5	11.8	12.0	9.9
5. Insufficient capacity to innovate	5.9	7.5	6.3	7.6	9.9
6. Inadequately educated workforce	6.5	6.1	6.2	7.0	8.5

Source: The Global Competitiveness Report 2012–2016 (World Economic Forum, 2013; 2014; 2015; 2016; 2017)

World Economic Forum, Executive Opinion Survey 2016

Note: From the list of factors, i.e. respondents to the World Economic Forum's Executive Opinion Survey

3. The study of problems and treats in Thailand among traditional core-industry groups and new industry groups with more added value and extensive markets

The results were evaluated by SWOT analysis, document reviews and in-depth industrial group interviews with two pilot industries: 1) Clothing and textile Industry and 2) Gem and jewelry Industry

Table 3 SWOT Analysis Clothing and Textile Industry

Opportunities	Threats
<ol style="list-style-type: none"> 1. Situated in the center of ASEAN countries, Thailand can use CLMV as an export base by Least Developed Countries status to reduce trade restriction in some countries such as EU countries. 2. Getting and dividing works by Supply and Value Chain, a collaboration with other ASEAN countries in terms of manufacturing and sharing some material parts will give opportunities of business expansion for the Thais. 3. Opening free trade in the ASEAN group and other countries across the world is a good opportunity for clothing and textile industry in terms of tax exemption. 4. On-line communication, trade and business has been changed through the use of technology for commercials. This results in lower expenses on commercials. 5. Thai Industry remains competent, but some changes in new mechanisms should be adjusted: new machinery, new goods in accordance with the market's demand. 	<ol style="list-style-type: none"> 1. Nowadays the textile industry in the ASEAN region such as Vietnam, is highly competitive with much stronger competitions due to an industrial expansion. To maintain industrial competitiveness, Thailand must change old manufacturing mechanisms to new ones by making new brand product innovations and using new technology to better support manufactures. 2. Neighbor countries have lower labor cost than Thailand. 3. Thai education systems do not give solutions to the labor market in the industry. Educational institutes do not produce human resources up to the labor market's needs. Labors in manufacturing sectors are also declining, so some industrial sectors have gone to hire foreign labors. 4. Thailand has been affected by high multiple import tax tariffs imposed by some countries.
Strengths	Weakness
<ol style="list-style-type: none"> 1. Thai textile products have a good reputation worldwide in terms of quality and eco-friendliness. 2. Having been doing business in textile for a long time, Thailand has created knowledgeable, skilled and expert artisans, including a fundamental understanding of cultures and fashion trends, to produce products that meet customers' demands. 3. Thailand has a complete cycle supply chain in textile industry: up-stream, middle-stream and down-stream industry. 	<ol style="list-style-type: none"> 1. The lack of skilled artisans in manufacturing processes, makes Thailand currently depend on neighboring countries labors. 2. Labor wages in manufacturing have been changed by government policies is higher than neighboring countries including high expense on energy in manufacturing process. 3. High cost of production is from transportation, mainly land transportation.



Table 3 (Cont.)

<p>4. Textile industry needs quite high electric power, and the government can support it sufficiently.</p>	<p>4. Most textile industries do not have their own brands (OBM) and still are made to order (OEM) only.</p> <p>5. Most textile entrepreneurs have not changed in doing business as they should had done, they still are family business so they are likely to risk in lack of competitiveness comparing to companies with professional executives.</p>
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Source: Summary from In-depth Interview of Key Informants, ASEAN and Asia Studies Center, NIDA

Table 4 SWOT Analysis Gem and Jewelry Industry

Opportunities	Threats
<ol style="list-style-type: none"> 1. Thai silver jewelry has been successively ranked the first in the world for more than 10 years. 2. Thai artisans have manual skills with neatness. 3. Thailand has readiness to be the world’s hub of gem and jewelry raw materials. Foreign partners also have been confident in Thai goods and impressed by friendship of Thai entrepreneurs. 4. Currently, Thailand has new young gem and jewelry entrepreneurs. Once the government supports the combination of new and old entrepreneurs and make them get along, this will give more business opportunities and marketing expansions. 5. The announcement of VAT cancelation on imported raw gemstones makes the cost of raw materials in jewelry industry decreased. Manufacturers can have access to raw materials easier with more opportunities to purchase various gemstones. 6. Reputed foreign companies such as Tiffany and Grigori from France have invested in Thailand (as entrepreneurs). This will help promoting more expansions in Thai gem and jewelry business. 7. Thailand’s main economic partner countries tend to be recovered from economic crisis, both USA and Japan. It would be a good turnout for Thailand gem and jewelry export. 8. Even though there are lots of competitors in Thai gem and jewelry industry such as Italy, China, India and Turkey, each competing country focuses on different production; whereas Thailand focuses on gems and silver jewelry, Italy focuses on machinery production; India focuses on diamond and gems production; and Turkey focuses on gold jewelry. From the overall export, India is currently the leader. 	<ol style="list-style-type: none"> 1. There is a quite severe competition in gem and jewelry industry. China and India have advantages in low cost, labor wages and raw materials. 2. The price of raw materials in gem and jewelry industry is fluctuate and stable at high level, especially when gold price affects high cost of production in gold jewelry industry. 3. Thailand’s development system in gem and jewelry industry is still not a complete cycle. 4. Tax systems and financial tools used as Thailand’s risk prevention tools cannot beat Singapore. 5. Thailand has not got trade privileges or benefits with EU countries like other neighbor countries. 6. Thailand has problems in terms of a lack of labors and a higher labor rate when compared to other neighbor countries. 7. The price of gem and jewelry in Thailand have no cost appraisal. It is up to satisfaction between buyers and sellers.
Strengths	Weakness
<ol style="list-style-type: none"> 1. The Bangkok Cut technique has its own beauty and identity, making Thailand one of three countries in the world which have important small diamond-cut industry and the second place following India and China. 	<ol style="list-style-type: none"> 1. The quantity of raw gemstones in Thailand are decreasing, causing the country to cling on imported raw materials from foreign countries and order a relatively high proportion, especially gold and diamond. 2. The development of gem and jewelry products is limited because Thailand does not own machinery technology.

**Table 4** (Cont.)

2. Although Thailand lacks raw materials in gem and jewelry, it can buy them from neighbor countries such as Myanmar and Cambodia and process them in Thailand for more value added.	3. Thailand has only a few gem and jewelry brands. Most manufacturers make orders from foreign countries.
3. Thai artisans have skillfulness and neatness, enabling Thailand to produce gem and jewelry with middle and high quality.	4. Some types of supporting industrial business in gem and jewelry are insufficient in demand such as manufacturing industry of parts and settings.
4. Thailand has long experiences more than 20 years in making brands such as Prima Gold, one of Original Brand Manufacturer (OBM) products. This uniqueness could make Thai brands more developed.	5. This industry has problems on a lack of artisan workforce.
	6. The gem and jewelry entrepreneurs in Thailand have not been cooperated in groups. Most of them do not join an industrial estate, and this causes less negotiation power in launching a supportive policy.

Source: Summary from In-depth Interview of Key Informants, ASEAN and Asia Studies Center, NIDA

According to the SWOT Analysis (Strength, Weakness, Opportunities and Threats) through In-depth Interviews and Focus Group Discussion with 20 key informants, together with the crossover analysis of SWOT Matrix, Strategic Alternatives were divided into four types as follows:

- 1) SO Strategy gets benefits from Strength under available Opportunities.
- 2) WO Strategy changes Weakness to Strength with available Opportunities.
- 3) ST Strategy builds up Strength with Opportunity.
- 4) WT Strategy gets rid of Weakness and obstacles.

Nevertheless, it should bear in mind that the content of the Alternative Strategies is varied, and each strategy has different alternatives. In this study, the Aggressive Strategy was selected as it provides benefits through the SO Strategy and supports the Thai Government's Thailand 4.0 Policy. Here, the industry can use its own Strength and gets Opportunity supported by the government. This Aggressive Strategy is regarded the most efficient. For other strategies: WO, ST and WT, they are described in separated industries below:

Alternative Strategies in micro industries

1. Clothing and Textile Industry:

This industry has several important aggressive strategies. First, Thailand has a long ongoing textile business which creates knowledgeable, skilled, expert artisans. Combined with Thailand's completed supply chain cycle (upstream, midstream and downstream) and located in the hub of CLMV, the country can gain benefits from export expansion in CLMV. With its Least Developed Country status of CLMV, Thailand can reduce trade restriction in some potential countries such as EU by exporting them products.

2. Gem and Jewelry Industry:

This industry uses Aggressive Strategy by emphasizing the market's growth, expansion, development and penetration. Nowadays, Thailand's gem and jewelry industry has high competitiveness capacity due to many skilled and neat artisans in the country, which harmonizes well with Thai value, art and culture. Thailand is also prepared to be the source of raw materials in the world. This makes Thai gem and jewelry industry qualified, serving the needs of foreigners and having more chances to expand the market in this area. Moreover, having long experiences in creating the OBM such as Prima Gold, Thailand can move forwards to enhance the brand and expand its market.



In overall, important alternative strategies in Thailand are varied. Situated in an ideal geographical hub of ASEAN as a center of CLMV+T Group, this gives Thailand advantages in terms of transportation connectivity. The country also has not only physical capital, such as natural resources and labor workforce, which supports investment in doing business, but also social capital like art, artisanship, historical sites, antique items, including Thai friendliness and kindness. All of these enrich the expansion of industrial investment and service industry, especially tourism and health care which help increase Thailand's competitiveness capacity.

4. Readiness Guidelines for Enhancing Competitiveness and Collaboration with ASEAN Group

1. Visions of Country Leader

The country leader, politics or government related, needs to understand the condition of trade and investment in industrial industry that changes very quickly along with severe competitions. The concrete collaboration by integrating processes in laws, supporting funds, conveniences for investment, facilities in logistics, is required. The "strategy planning," no matter short-term, medium-term or long-term, must be "practical, checked and concreted."

2. Investment on Infrastructures

The investment on infrastructures is important. Having a better strategic location when compared to other ASEAN countries, public and private sectors in Thailand should cooperate in developing transportation connectivity. Road transportation in Thailand is quite efficient, but water, rail and aerial transportation needs to be improved immediately. If Thailand becomes the center of transportation by applying its strategic location, this will make a connectivity to the CLMV Group and give profits to the country.

3. Human Resource Development

This focuses on creating efficient workers and appropriate jobs. Therefore, it is necessary to improve educational systems in terms of quality and educational paradigm through curriculum, teaching and learning in short term and long term. The shift should meet the labor market's needs. At present, Thai industry requires many technicians and engineers, but educational institutes and universities have not been able to develop sufficient people to serve such a demand.

4. Innovation and Management

Some useful suggestions are various: 1) there should be an investment on innovations by integrating research studies in educational institutes and universities with private sectors' industrial systems. These studies need to be practical; and 2) the industry should emphasize R&D (Research & Development) to create development with the country's five main driving forces: government agencies, private sectors, educational organizations, business companies and banking/financial institutes.

5. Finance and Budget

The related public sectors need to support the efficient expenses with the budget inspection that considers logical principles.

6. Laws, Regulations and Rules

It is necessary to help the majority of Thais who hold value of Mechanistic Culture understand and realize law and its processes.



7. Strategies of Success to Develop Competitiveness Capacity in Thailand

The Board of Investment (BOI) Strategy has improved the rights for investment by considering importance and necessity of products and activity-based production to determine the number of those rights. This focuses on R&D, including discovery of innovations in the industry.

The Financial Strategy reveals that there are many financial plans to support and enhance the competitiveness capacity in different industries.

The Industrial Development Strategy is divided into two types: 1) Development Plan for Production Process covers different dimensions in developing industries; 2) Development Plan for Human Resources is highlighted in many organizations.

Conclusion

According to the 'Study of Competitiveness Performances, Problematic Factors on Doing Business and Opportunities of Industrial Expansion in ASEAN Markets,' Thailand has been involved with industries for a long time. It also produces a variety of industrial products and has sufficient facilities to serve the need of industrial manufacturers. These factors make Thai industries more advantageous in competitions. In the Global Competitiveness Report by World Economic Forum: WEF during 2012-2015, despite facing many problems, Thailand has found strengths and opportunities in the following industries.

Textile and Clothing Industry: With the Aggressive Strategy emphasizing Growth, Market Development and Market Penetration, Thailand has been doing well in this industry. It creates knowledgeable, skilled and expert artisans who produce product up to world standard. The country also expands its production base to other ASEAN countries such as CLMV where labor cost is low when compared with Thailand itself.

Gem and Jewelry Industry: Presently, even though Thailand does not have as many raw materials for gem and jewelry as in the past, systems and processes related to the industry are still operated, especially the delivery of raw materials such as gemstones, diamonds, silver, gold to be cut in Thailand, which make a lot of profits to the country. The gem and jewelry industry can provide value added by combining Thai art and culture to the product design. Having its own brand helps promotes the industry and Thai artisanship, making customers realize that some good, standard and unique products are made in Thailand. Together with the effective Aggressive Strategy, the gem and jewelry seems to have bright future in terms of manufacturing and branding.

All procedures mentioned require good management in each sector, including country leaders' vision, investment on infrastructures, development of human resources to meet entrepreneurs' needs, and support of innovation and management. The government sector should give financial support to industries which can be developed and profitable. The laws, regulations and rules should also integrate with investors' manufacturing plans. All strategies need to harmonize with the path of increasing competitiveness capacity and ASEAN cooperation.

Suggestions

1. Vision/ Executive Policy

1.1 Country leaders and organizational executives need to have a vision and understand disruptive changes by considering entire situations at the global, regional and national level. In the meantime, they have to think of the future by expanding more targets in a concrete way for clear development.



1.2 The Thai government should better support industries which have strengths and give value added to the country such as gem and jewelry industry, textile and clothing industry.

1.3 The policy and labor law should have transparency in terms of welfare, salary, human right and labor right. If the policy is not clear, those who seek for benefits from the gap in the law will take over and give a bad image to Thai economy.

2. Fundamental Structures and Logistics

2.1 **Focusing on transportation system to make the most of profits and give connectivity to all transports:** cars, electric trains, ships, airplanes with convenience, rapidness and cost saving.

2.2 **Increasing routes to other parts of the country** to cover all logistics for product and good delivery, including the expansion of industrial bases in other remote areas.

3. Development of Human Resources

This development should focus on creating professional workers and appropriate jobs. The educational curriculum needs to integrate with the labor market's needs, maximizing efficiency in industrial production processes.

4. Development of Technology

The industry needs to be prepared for the replacement of technology to human force in order to increase the capacity in industrial production.

5. Development of Innovation and Management

This needs to be applied appropriately for better cost of investment.

6. Laws, Regulations and Rules

Thailand should adjust them to be updated and integrated with international ones because most of businesses in the country involve foreign affairs, especially import and export which need to be proper and convenient.

Recommendations for Future Research

1. Conduct more research in each industry to be in line with the 12th National Economic and Social Development Plan (B.E. 2560-2564).

2. Have more R&D on a proper management in establishing "Office of Thailand Foreign Economic Trade and Investment" as a case study in the CLMV Group.

3. Focus on research and development to create innovations leading to the production of OBM industrial products in order to increase the competitiveness capacity consistently and sustainably.

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