

Reaction Essay 9 for Aj. Suthep lecture on Logistics on ASEAN

He first introduced us to the Macro and Micro level of logistics. One being about the transportation of goods across borders, international level, and another is about the company level such as inventories, packaging and handling processes respectively. Then he emphasised the importance of changing in demand of the consumers towards higher quality goods that are trackable on the supply chains, logistics linkage and service of the goods. There is a shift of the strategies used by the producers from doing the 'Blue ocean' to the 'Red ocean' and possibly 'White ocean' to serve the demand accordingly to the new lifestyles of the consumers and to be able to survive in this fast paced economic growth. As cost driven becomes less effective from the fact that the bargaining power is concentrated to a certain group, people need to focus more on differentiating strategy or the increasing of social value from serving their products instead. The customers and behaviour also is changing from Ex-Rich to the New Rich meaning there will be a change in demand and business opportunities. For example, in the past people were not willing to invest in a low budget hostel since customers would rather prefer to stay in a five star hotel. However, nowadays customers are seeking for something cheap and locally so investing on an accommodation and serving it as Airbnb might give you higher profit with lower cost because you do not have to invest your time and money on something as huge as hotels or big buildings.

Since globalisation, transporting goods across countries has become a norm to almost every country resulting in the model of supply-chain to effectively produce goods in terms of cost and quality. Recently, logistics linkage has become more and more important since you need

to be a fast mover to gain the highest benefits as well as individuals in your supply chain. In Chiang Rai, there are 3 main active and growing cross trade borders, Mae Sai, Chiang Sean and Chiang Khong. Supply chain redesign factors are government, infrastructures and logistics, economic, locations, risks, labours and supply. The negative externalities on this are for example, with better logistics linkage, chinese come to Thailand to plant fruits, use chemicals and send the goods back to China. They use our resources but the one who gains benefits are actually their people. When they use a lot of chemicals, the soil is contaminated which will lead to the failure to yield crops too.

My hometown is Chantaburi and I have come across many chinese who come to my hometown to export fruits to China. They talked about how easy it is to send durians to China too, by road through Vietnam then to China. It actually takes them within 3 days to reach their customers because in China, they have an impressively fast domestic logistics. This resulted in an increasing number of chinese who stay in Chanthaburi for this type of business. Especially when local middlemen cut prices when buying fruits from farmers, the local farmers prefer to sell it to chinese owned firms instead. So whenever they yield good quality fruits, they offer them to the chinese first since they get higher profit. Some local farmers even choose to sell plantation land to the chinese to earn one time income. This is the most ridiculous thing, especially when they have the proud mindset of “ประเทศไทยไม่เคยตกเป็นเมืองขึ้นใคร”. Okay, พระเจ้าตาก fought with his life as well as his troops’ and we even composed a song for him and now they are conveniently selling their “beloved” land to the foreigners for a one-time money. So in order for the country to gain more efficiency and advantages from this developing logistics system, the country needs a real and effective education system too.

Reaction Essay 10 for Aj. Amonthep lecture on Post-COVID for CLMV countries

The first part of the lecture mostly talked about the opportunities that we would have if we invest in our neighbouring countries. In Laos for example, since they are close to China and Vietnam we can use that benefit to businesses like manufacturing, or the resources and rising middle income class that Laos currently has might give higher opportunities to industries like retails and beauty. Thailand also does a lot of border trade with neighbouring countries such as Cambodia, Myanmar and Laos. Since CLMV are growing countries, there will be gaps that we can take advantage of according to the needs and foreign investment policies of that country.

He suggested that we need to take into consideration localisation when we invest overseas, we need to understand the behaviours, culture and trend of the locals to gain benefit from them. We should not push our products or services to them just like how we do it in our countries to penetrate the market. For example, KFC, they did a very good job in understanding different countries they invested in. In Thailand, we eat extremely flavourful food, if they come to our country and serve the usual that they serve back in their country, we wouldn't like it because it would be too plain for us. So they provide us "Wing-Zaap" and in my eyes it is pretty successful. In Singapore, McDonald's would serve curry-fries to fit the taste of the locals too. This is what many brands need to understand. Not only the taste but how much they value your type of products too, this is important for the pricing strategies as well.

As the country grows, people become busier to enhance their standard of living, they prioritise work before family, specifically having kids. To me, this is why countries like Singapore, Japan and even Thailand are facing aging populations. We can turn this crisis into opportunities, he suggested, on real estate that is suitable for elderlies, financial services on elders' savings through life insurance and health care goods and services such as medical

equipment and organic products for their consumption. I used to hire a professional caretaker for my grandparents once, and it is very costly. This is a good opportunity if anyone wants to start a professional caretaker company to serve since it is not that easy to find a really good one in Thailand yet.