

# Logistic and Supply Chain Development in ASEAN

Using logistic and supply chain method is one of The key driver to improve business of international cross border. there are two level of logistic: macro logistic and business logistic. In macro logistic, it is about the linkage between country. For the business logistic, it is about packaging designed, customer management, housing and others.

In the present, people need innovation which logistic is one of the innovation. For instance, from past to present, the fish product has barcode on its size because of people logistic in business. To get more competitive advantage, people need better analytics to understand more about customer in every country and every market in each country. Logistic can create the linkage among the group of supplier, business, and customer. Moreover, logistic is one of the success in Thailand in the tourist business industry. But from the COVID-19 virus, the tourist industry has a lot impact due to the lock down. According to the ASEAN, there is a lot of demand on Thai export. However, the transportation are not respond our export demand. For examples, there is only one airline that allow Thai to export to India which make Thai has to transport by sea so, we need more time on delivery. Thus, the only way to success in international business success is develop logistic linkage.

In the Southeast Asia, Thailand is the key asian transportation logistic hub because we do a lot of cross border trade. E.g. more than 50% of the product in Laos are come from Thailand ,and the most transportation that we use to export is by truck which is the land logistic. Thai government are now pay more attention on how to develop Thailand's international business among ASEAN member. According to cross border development, countries such as Myanmar, Laos, Thailand, and Malaysia are getting more income and bigger budget to spend because of the increasing on investing aboard make the FDI ratio grow.

Starting with industry 1.0, Thailand focus on agricultural innovation which use the farming equipment to increase the growing crop faster. In industry 2.0, scientist invent new equipment such as steamer which make people can produce in a mass production which open more opportunity to the international business crossing country. In industry 3.0, Thailand pay more attention on technology and IT which Thailand can earn more benefit in the production system. Thus, in industry 1.0 - 3.0, it shows that Thailand are improving the procedure of producing in mass production and low cost strategy. For industry 4.0, we focus more on digitalisation, innovation and technology improvement because technology change all the time. Based on industry 1.0-4.0, the business is a B2B which the customer of industry are some other business. Moreover, B2B is producing in a large amount and sell to the retail store e.g. 7 eleven. In B2C, now a day, innovation has been developing a lot. For example, we have E-commerce, City Logistics and Smart city/Smart border which people stay more in the city. Thus, we can do the B2C business well and develop logistic in the urbanisation.

To achieve the goal in business area, we need our industry to be innovated, differentiated, service innovated and product innovated because technology and people behaviour change frequently in this era.

# Post-COVID CLMV Economy

The first and second countries that have largest economy in ASEAN are Indonesia and Thailand respectively. The reason that Singapore is not the largest economy is because of the population. In Laos, although Laos has a small population and much of mountain area, people still want to invest in Laos because it is less competitor which there are few entrepreneur which is easy for penetrating the market. Thus, even the country is small of population and area, we can still do business and invest in the country. One of the good opportunity to do business in Laos is the construction. For instance, Road, shopping, Shopping mall and Dam building are what Laos need for innovating because much area in Laos are the forest and mountain. To invest in Laos, we need to understand people behaviour which normally they don't use credit card. In other word, they need to save money when they want to buy something. Thus, understanding each country people behaviour is important when investing aboard.

Beauty industry is another option in Laos because of rising middle class which people want to look good ,so they will save money to buy things they afford to buy, leading to the growing income. For example, Laos people watch a lot of Thai TV show which inspire them to look good as the actor and actress in the television.

Vietnam has the most economic zone in ASEAN because Vietnam has good the shape of country. The perspective of Vietnamese thought Thai product is quite good which some Vietnamese marketing put Thai word in the product to increase their brand loyalty. Furthermore, there are a lot of copy product which demonstrate that Vietnamese's aspect toward Thailand are in good quality. The attractive business in Vietnam are industry, service and trading which partner with local, understanding behaviour and regulation are key success factor for foreign investor because partners

with local can guide investor the right way to invest. For instance, there are Thai cinema, grab TukTuk and Thai movie business which grow well in Vietnam.

Thailand most export is to USA, China and Japan and the type of product that normally export are Machinery including computers: US\$40.2 billion (16.4% of total exports), Electrical machinery, equipment: \$33.9 billion (13.8%), Vehicles: \$28.9 billion (11.8%). There is a lot of business in the border area which it is comfortably to set up business in neighbour country, making some Thai products are written “made in Indonesia” or “made in Vietnam”.

In Cambodia, Cambodia import a lot of Thai product. Furthermore, Cambodia also have Thai word on their product to attract people preference to buy which is similar to marketing strategy as Laos. According to the behaviour of Cambodian and Laos that similar to Thailand, it is the main reason why Laos and Cambodian have a good aspect in Thai products.

COVID-19 impact a lot in global economic recession in 2020 from many factors. With this disease, people have to keep social distancing which make a lot of business are not allowed to open. Moreover, a lot of country stop export/import product because of the locking down policies to stop the virus spreading aboard. Thus, Asia export showed a negative trend in many country since the beginning of the spreading since March. However, after stop locking down in May the the economy trend to increase which is the recovering state in economy.