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June 24 :

We discuss CLMV trade with the rest of the world. From the data between 2010 and 2016, Cambodia import is increasing over time and the export was declined a little in 2012 and growing up in the following year. From Lao PDR trade with the world since 2010-2016, both exported value and imported value have fluctuated and Myanmar trade had highly increase in imported value since 2010 while the exported value slightly increased. From the Vietnam trade with the world, the number of exported value and imported value has continually grown up. Overall, the import of CLMV countries with the world is higher than the export of them.

In 2016, China is an important import source in all CLMV countries and the USA and China are also important export markets in those countries. Moreover, Thailand is the highest import source of Lao PDR. Lao PDR exports natural resources such as copper ores, water, and concentrates while the import goods of Lao PDR are petroleum oil, motor car, and water containing added sugar, for example, Pepsi that produces in Thailand are exported to Lao PDR. It is interesting that Thailand plays a major role in Lao PDR on the export market and import source. The highest exported values from Thailand to Lao PDR are oil and automobiles. All CLMV countries import vehicles and motor parts from Thailand as well.

If you notice in the present, we can see that some clothes and shoes that we wear are made from Cambodia and Vietnam. we can tell that Cambodia and Vietnam are clothes and footwear industry, so it exports a variety of clothes, pants, and footwear while import material for making clothing such as fabrics and vehicles and motor parts.

From the CLMV exports to Thailand, Myanmar is the only country that has a trade surplus with Thailand and Form inward FDI to CLMV countries, Vietnam has the highest proportion of inward FDI followed by Myanmar, Cambodia, and Lao PDR and the important investors were China, South Korea, Singapore, and Thailand. In addition, on Thai direct investment abroad, Thai FDI in CLMV had increased with the highest investment in Vietnam and key investment sectors were wholesale and retail trade and industry.

In the afternoon, we learn about Marketing and branding strategies in CLMV. firstly, we try to understand "what is a brand and product". The brand is the symbol that intended to identify the good and service of the seller and to differentiate them from other competitors and created the amount of awareness, reputation, prominence in the marketplace while product is anything that satisfies the need of the customer such as a physical good, service, organization, and idea. if we talk about the valuable brand in the modern day, we will think about technology and innovation such as Apple, Google, Microsoft, etc but in the past Coca-Cola was also the strongest brand.

Next, brand essence in Asia is culture and technology. Culture plays an important role in consumer behavior in ASEAN society and all around the world such as people lifestyle: how they live and consume in their life, Collective society, and Image driven society. Moreover, technology also plays a big role in today's society, so it becomes a digital economy. people use social media, internet, and application in their daily life and the digital growth in Southeast Asia is increasing. Brand activation brings brands to life and encourages the positive participation of the customers, for example, the Central group uses snoopy in the Universe of happiness theme to make the traffic flow. I believe that when we need to do the business in ASEAN countries, we need to have enough information and understand their behavior and their lifestyle to success in marketing

June 25

We have a guest speaker from Mahidol University today. He came to talk about International logistics and cross border trade. Today, we focus on Macro-logistics which use logistics development among countries. If we think about logistics, most people will think about shipping and transportation but it is more than that. In the modern day, there is one strategy that called one belt, one road trying to create a linkage between countries, for instance, China export and import to the UK. I believe that it will become the new silk road.

Nowadays, Thailand tries to use a 4.0 innovation strategy. the first is product innovation that government try to increase the value of products by make product different and more valuable in order to raise the cost and pay less money on exporting the products outside the country. The second is process innovation. In the past, we export by land because it is cheaper than by air, but nowadays, we export by air because there are low-cost airlines such as Air Asia and Lion Air, so we can save a lot of logistics costs. The third one is service innovation that tries to re-design the business and Customers can return or reverse products in order to reduce the risk. Moreover, re-design has three flows which are People, Product, and Capital. The last is business model innovation.

It is interesting that the main customer of Thailand has come from China and Indian and we are also exchanging a lot of products in their countries. From the slide that we learn we can see that Thailand exchange a lot of goods with China. For example, 90% of durian in Thailand belongs to China while 70% of the fresh market in Thailand has come from China, so these will receive both a negative and positive effect on Thailand. In addition, Thailand also uses a lot of push and pull strategies to get labor and decrease pollution in the country.

June 26:

In this class, we focus on Foreign Direct Investment(FDI). FDI is a cross border investment in which a company in one country invests a business or corporation in another country with the objective of establishing a lasting interest. there are five types of FDI which are based on the direction of investment, types of activity, modes of entry, the nationality of investors, and motives of FDI. On the direction of investment, Inward FDI involves other countries to come and invest in the country while Outward FDI is a country tries to invest in other countries or go abroad.

Regarding the motives of FDI, firstly, natural resource seeking FDI is sources of natural resources at the lowest relative cost related to the export of resource-based products from the host country such as Gasoline, and land, so the factor that needs to be concerned about the availability of low-cost unskilled labor and the quality of physical infrastructure.

Secondly, The main objective of marketing-seeking FDI is to try to expand its products abroad to new customers or new markets. We can see that in the modern day, there are some countries try to use the countries that have higher resources but fewer labor costs to produce the goods in order to sell the product in other countries. from my point of view, market size, level of labor cost, and growth will become important characteristics for countries that use market-seeking FDI.

Thirdly, efficiency-seeking FDI is a cost-reducing investment which is the company tries to minimize costs. Therefore, the company needs to trade off between exporting their products from their own country or invest in the factory in those countries. In my opinion, the company needs to concern about the productivity of labor, the cost of resources, input cost, and tax differentials as determinants before investing in other countries. We also need to look at location advantages and internalization advantages such as political risk and cultural values.

Lastly, Strategic asset-seeking FDI is motivated by foreign firms in acquiring strategic assets such as brands and human capital through joint venture or acquisition. Therefore, foreign direct investment(FDI) plays an important role to increase knowledge, diversification, profits, and technology.

June 27:

In the morning section, we learn with Aj. Anin about international trade and the environment. From the graph of extra and intra-ASEAN exports and import of Goods share to ASEAN total exports and imports of goods by country between 2007 and 2016, it is interesting that The Philipines, Singapore, Thailand, and Vietnam have high extra export and extra import, so it means that they exchange a lot of products outside the ASEAN countries. On the other hand, Myanmar, Indonesia, and Cambodia have high intra exports and intra imports, so it means they exchange a lot of goods among the ASEAN countries.

Next, we discuss the advantages and disadvantages of free trade and FDI. if we look at the free trade agreement, it helps to increase economic growth, makes a more dynamic business climate, provides lower government spending, and has more technology transfer. But it can also occur the negative impacts in the country such as increasing Job outsourcing, crowd out domestic industries, and damaging natural resources.

On the foreign direct investment(FDI), the advantages are to create a more conducive environment for the investor and benefits for the local industry, create new jobs and opportunities leads to an increase in income and more power of purchasing to the people, and develop human resources which means labor gained more training and education. With this in mind, a country with FDI can receive a high benefit. However, the negative impacts of FDI are the activities that polluted the environment such as deforestation, strip-mining the jungles, and greenhouse gas emissions. Some economic growth and trade can affect the social environment as well.

I believe that everything has two side effects, so we need to have enough information for solving the problem and more focus on eliminating pollution or try to reduce the effect. Both free trade agreements and foreign direct investment will increase international trade, jobs, business growth, economic welfare, and living standard of the people in the country. Moreover, if a country has a high GDP, it means people have a high income. When they have a high income, they will concern more environment quality and adopt cleaner technology.

In the afternoon section, We learn with Aj. Chayanee about economic development. from the evolution of global and per capita GDP in the last 2000 years, we can see that GDP levels have increasing rate, so it means that the economy is growing up and the countries have money in their system.

On economics growth in SEA, if we compare Thailand to ASEAN countries, we can see that in the past we have high economic growth but we now have a low amount of economic growth because of the Asian miracle that maintained very high growth rates in order to attract foreign investment and rapid industrialization. It also links with the total factor productivity which leads to long term prosperity. On hamburger crisis in 2008, ASEAN countries gain the experience of economic flow and getting better in 2009. Therefore, I believe economic growth is the result of increased capital investment and plays an important role in increasing the GDP. For example, when the GDP of the country is high meaning that people in the country receive a high income and better living standard. Moreover, we can measure the economic development by GDP growth, Income per capita, HDI(Human Development Index), and IDI(Inclusive Development Index)

During the lecture, we watch a video about Vietnam. In the current, Vietnam is growing rapidly by trying to open the trade, improve education. There are three important factors which are embracing trade liberalization, complementing external liberalization with domestic reforms through deregulation and lowering the cost of doing, and investing heavily in human and physical capital. When we take a look at Vietnam in the past, It is the low-income country but nowadays, It becomes the middle-income country.

If we talk about the middle-income trap, Thailand right now stuck in the middle-income, so I believe that if Thailand can solve the problem, we can become the high-income country by creating more technology innovation, addressing infrastructure bottlenecks, promoting innovation and enhancing competition. Improving education and life-long skills training is an important key as well.

June 28:

In the class, Aj. Peera talks about industrial policy and the CLMVT economy. The strategic industrial policy aims to foster new industrial capacity, diversify production, create inter-sectoral and inter-industry linkages. Looking back in the past, many countries are agricultural economy and then they change from the agricultural sector to the industrial sector to increase productivity and their economy, and also improve competitiveness by using higher technology and value-added activities

If we learn about strategic industrial policy, there are three industrial. firstly, Industrial diversification which is a creation of new industrial capacity and sectoral diversification. The government tries to investing capital in new activities and expanding the product by produce and export to foreign countries. It is very interesting that nowadays Thailand imports 95 percent of a hard dick even though Thailand is the country that exports the electronic and motor parts. Therefore, the more advance export products, the more the country will grow faster. In addition, the distant product is better than the nearby product for diversification, so it can be expanded with similar technology and production.

Next is industrial deepening which is the creation of local linkages. It makes a more complete and inter-linked industrial structure. Moreover, it contributes a sustained economic growth, seeks the balance between supply and demand sides of economics, and helps to capture more of the value added.

Lastly, it is an industrial Upgrading that aims to receive more advanced, competitive industrial structure and more complex technologies. For example, if we think about technology that people use often, you will think about the mobile phone, tablet, and computer, in the modern day, people may use them for three or five years and then buy the new one to upgrade the new technology that comes up rapidly every year, it increases local value added to be able to move toward international level.

Therefore, Strategic Industrial Policy (SIP) is the part of an overall development strategy which interacts with the private sectors in order to know about present constraints and future opportunities and make implementation effective. In my opinion, the world market is very big. If we want to increase development, we need to improve infrastructure and export the product to the world. We need to avoid both Export-oriented industrial failures and import-substitution industrial failures.