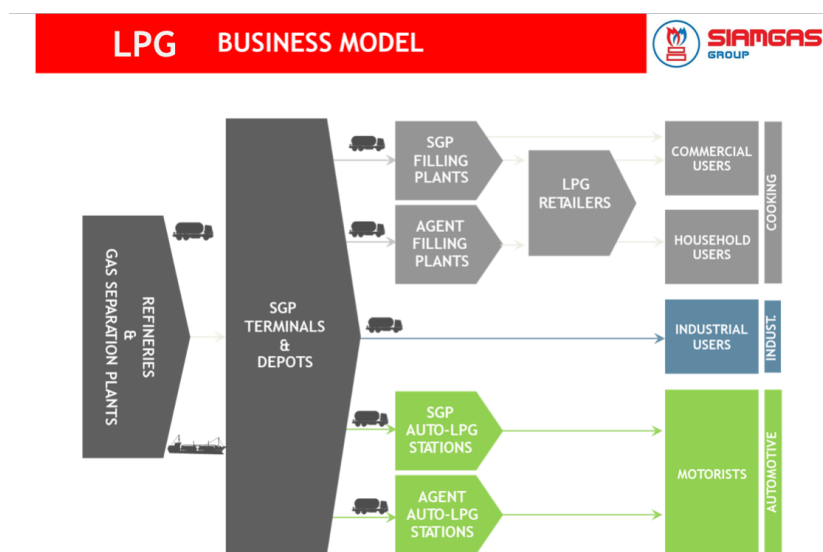


9.5

By ..Piangprae Lertviriyavarangkool 5904640462

Reaction Essays Week#5 Siam Gas Group

According to the guest lecturer, Siam gas group has expanded their business to our neighbouring country like Vietnam. Siam gas also has the storages of the inventories in China, Vietnam, Singapore, Malaysia, and Thailand. Siam gas is doing business relating to LPG gas. In Vietnam, Siam gas group has applied the same business model that has been used in Thailand, which can be seen in the diagram below.



In order to do business in any countries, it is crucial that firms need to know the restrictions of laws, cultures, markets, and people of such countries. Some businesses have failed to become successful in Vietnam due to people's perceptions toward things and their ways of living, for instance, MK restaurant invested in North Vietnam but it did not succeed in its business because of the reason that North Vietnamese citizens believe that fresh food should not come from the coolers. Vietnamese people love eating vegetables. So, we could barely see any chubby people in Vietnam. I think it is very good example for this kind of eating behaviour that they consume a lot of good vegetables. ✓ From the consumption of food, it can also reflect consumer choices and their behaviour. Understanding consumer behaviour for businesses is very important in order to be successful from the investments. Some businesses may be very successful in one countries, while they may not be

successful in another country. In Vietnam, labour intensive business tends to become more successful as it creates job opportunities to the locals and low costs of investment as the minimum wage in Vietnam is still low compared to other countries. People are also hard-working. However, it is very important to be able to communicate with them in Vietnamese language because English language is still the barrier of language. One of the reason Siam gas group has invested in Vietnam is that Vietnam is a new developing country with a high potential of economic growth and young labour force. So, it has high potential for human capital and also has lower costs of production than other countries as well.

From Siam Gas Lecture on doing business in Vietnam experiences, what I have also learned from the guest lecture throughout his experiences. It could help me come to the conclusion and based on my own experiences of the Vietnam trip as well is that it is very important to gather information and know about geographical backgrounds, climate, culture, language, markets, and local people in order to plan the business strategies due to the reasons that most of Vietnamese still remain conservative and do not have open-minded mindset unlike Thai. Therefore, in order to understand people, we may be have to live in the area and communicate with locals to learn their ways of living.

Reaction Essays Week#5 BOT event & ADB meeting

In the morning session, I have joined the conference, which was about the cross border transactions. Bank of Thailand (BOT) has started collaborating with many organisations in order to develop the platforms for financial transactions within and between countries. As in this era, the world has shifted into internet era. BOT has tried to encourage cashless societies by building the channels of online financial transactions. One of the examples of what BOT has tried to develop is Cross-border QR code payment between Cambodia and Thailand by setting the goal as follows:

“The vision of ASEAN payment systems integration is to establish interoperable and to use local currencies for cross-border real time payment by 2025.”

What BOT has encouraged are 1. Promoting the use of local currencies, 2. Enhancing financial inclusion, 3. Improving efficiency cost effective convenience and secure, and 4. Increasing volume and value of both countries trade. The options for cross-border QR code payment that have been listed are 1. *Hub to Hub connection* : the interlinking between the national payment infrastructures of two different countries, 2. *Closed loop payment* : the transaction flows occur cross-border under a single payment service provider's network, 3. *Sponsoring Bank Model* : the linkage between correspondent banks of each country, and 4 Distributed ledger technology(DLT) : the transactions occur cross-border on the peer-to-peer based without intermediary. What BOT has chosen to implement is “*Sponsoring Bank Model*” by linking correspondent banks in countries that BOT hopes to implement cross-border transactions.

In my opinion, what BOT has been trying to do will benefit many sectors, including consumers, producers, and firms as it would become more convenient for people. They do not need to carry cash and exchange currencies when they travel abroad because they could just use QR code to pay. I personally use QR codes to pay for good and services and do online shoppings a lot. I think it would be thrilling if we could just use QR codes for our payments for anywhere we go.

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For the afternoon session, we went to ADB meeting. ADB stands for Asian Development Bank. ADB is a state-owned under the Ministry of Finance. ADB has partnered with Thai government in order to focus on supporting for knowledge sharing and innovation, fostering private sector development, and promoting regional corporation and integration. ADB has collaborated with the government to do some supported projects and programs in order to help Thailand achieve the economic growth targets. It also provides support for transport infrastructure projects, which help with the connectivity. It has also granted some loans and technical assistance projects for Thailand. Throughout the partnership with Thai government, ADB has assisted in sharing Thailand's developing experiences to other neighbouring countries. It has also coordinated with other development partners, civil society organisations, and private sector to strengthen its operations and effectiveness, quality, and sustainability. ADB also provides some services, such as consulting services for businesses and providing loans to those businesses. However, ADB has faced some challenges in developing Thai economy growth due to the factors, such as global economic shocks, sociopolitical tensions, natural disasters, and relatively low investment.

I think that having ADB to support business sector and Thai government is such a fortunate thing for Thailand as ADB has done many good deeds and supports to assist our country. However, in the coming future, ADB still definitely has to face these inevitable challenges as mentioned because these problems has seemed to take their deep roots into Thai society, which makes it even more difficult to implement and sustain some policies or assistances effective because things are unstable.

For the future directions, ADB would continue to provide supports for potential projects, such as the development of urban transport and airports, railways, and national highways. In conclusion, I think Thailand would not be able to stand alone without financial assistance from Asia Development Bank and we should be appreciate that we have had them to help us in aspects of economic development and financial supports.

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