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Essay 1 : 24 June

CLMV Trade and Investment

China is one of the big exporter which account for more than 12% of the world export and keep increasing at the approximately 17% each year since 1990 to 2012. One of the China's important trade partners are CLMV countries where China exported to Cambodia 36.8%, Myanmar 34.4%, Laos 18.2%, and Vietnam 29.8% in 2016. This shows that the China's products have a huge market share in these CLMV countries where Cambodia, Myanmar and Vietnam had around 30% of the China's commodities for the market share.

Compare the graph in class when CLMV countries traded with the world, Cambodia have trade deficit around 2 million thousand US dollar, mostly export textile commodity and footwear, and import fabrics and petroleum oil. Laos have trade deficit around 1 million thousand US dollar, mostly export wood, clothing and coffee, and import oil, machinery and equipment. Myanmar have trade deficit around 4 million thousand US dollar, mostly export natural gas and wood product, and import machinery and iron. However, Vietnam have nearly the same proportion of exported and imported value, mostly export integrated circuits and refined petroleum, and import machinery, iron and plastic.

Thailand also one of the important trade partner of CLMV countries. During 2010 to 2011, Myanmar had the most export value among CLMV countries to Thailand at approximately 3 million thousand million dollar. After 2011 or during 2012 to 2015, the country that have the most export value is Vietnam at approximately 3 million thousand million dollar with the increasing trend while compare to Myanmar which had the fluctuated trend. Cambodia had the least export value since 2010 where the export value was no more than 400,000 thousand dollar. During 2010 to 2016, Vietnam imported the commodity from Thailand the most and Cambodia imported from Thailand the least where we could see that Thailand should urge to trade with Cambodia more.

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Essay 1 : 24 June

Marketing Strategies in CLMV

A product is any goods, object or service we consume, but a brand is more than that. A brand is the identity and the reputation of that certain product, for example, Mc Donald's is the brand that mainly sell the fast food burger and have the remarkable Mc Donald's mascot which can be easily remembered. To create the identity of the brand, the firm need to activate the brand and communicate the clear message to the target group customer, set the brand position in order to easily set the group of customer; not only by income but the different culture in different countries leads to different habits in each people, communicate the brand identification and the brand meaning to the customer to clarify the certain brand from other various brand with the same product, and lastly, the brand need to create the brand loyalty through the goods and service to the customer.

Recently, either culture or technology plays a significant role of consumer behavior in the society. Culture in each country shapes the native people's lifestyle and image driven society, for example, if one country has more faminenity than other country that has more masculinity, the market strategies in both countries should be difference. In ASEAN region, we mostly share the culture since the past, food, the way of greeting, or even our manner shaping us under our parent's care. The brand can also build the brand's loyalty through the social media and technology. Currently, the consumer behavior had changed, people tend to take a picture before consume the product and share through social media, such as instagram, this behavior is not only continue with the same group of customer but also can attract the new customer. The statistic of the active social users in Southeast Asia included ASEAN increasing over years.

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Essay 2 : 25 June Morning Section

Logistics and Supply Chain Development in ASEAN : International Logistics and Border Trade

ASEAN logistic find the way to transfer commodities within the ASEAN countries with the lowest transaction cost, also provide the people in ASEAN countries with the low cost transportation such as low cost airline. Moreover, ASEAN can connect to the other region through the development strategy from China called one belt one road initiative which pass through North Africa, Central Europe, Eastern Europe, South Asia, Central Asia, West Asia, and Southeast Asia included all ASEAN countries. The aims of one belt one road is to develop the economic partnership between China and other countries, however, the ASEAN also can take the benefit from this approach as a linkage between countries with the low cost of logistic which not only save the cost in shipping but also save time.

Cross border trade development is also another way in shipping to other countries nearby or the countries that share border together. The cross border trade does not use the proper shipping company because this approach can save a lot of time. As the example in class, if firm want to ship the product from Thailand to Kunming in China, they can go through Myanmar, started from Mea Sai, Tachilek, Kengtung, Tahluo, Jinghong, Kunming, or firm can go through Laos, started from Chiang Khong, Hyuay Xai, Luang Namtha, Boten, Jinghong, Kunming, and take around one day by car. However, even the firm have the various choice to choose either the shipping way, the development of technology helps firm to shipping by air which save more time than shipping by land and sea.

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Essay 3 : 26 June Afternoon Section

Economics of Multinational Enterprises : FDI Concept

According to OECD Benchmark definition of the foreign direct investment fourth edition (2008) as "...a category of cross-border investment made by a resident in one economy (the direct investor) with the objective of establishing a lasting interest in an enterprise (the direct investment enterprise) that is resident in an economy other than that of the direct investor…". When the foreign investors invested, they aim to have a long-term relationship and keep continually invest in that country. The foreign investors and the country they invested in have a win-win situation where the investors can expand the company, invite new product to other country, lowering the cost of production by using the low labor cost and new resources. The host country also can boost the economy with the flow of money circulation, not only the investors that search for resources, host country also receive the new technology which appropriate to that country's geography.

The FDI gives either positive impact and negative impact to the host country which I see that this would be more benefit to the host country. The coming of the foreign investors would develop the economic growth, also develop labor because more skilled labor would get the better job opportunities which leads to the income distribution. On the other hand, the coming of FDI to the host country might destroy the natural resources, but the new technology might solve the degradation of natural resources crisis such as renewable energy.

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interesting opinion

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Essay 4 : 27 June Morning Section

International Trade and Investment vs Environment

From the lecture, during 2007 to 2016, the total value of exports and imports in CLMV countries was increasing over time where the percentage of the the CLMV GDP on exports was slightly lower than the CLMV GDP on imports. The foreign direct investment or FDI was significantly high in Singapore and significantly low in Brunei. FDI and the free trade agreement have both advantages and disadvantages in host country. FDI and FTA boost the economic growth into the flow of money circulation in either private sector or public sector, allow both countries to transfer the technology. However, FDI and FTA have a one huge dilemma which is the degradation of natural resources and liberalization might encourage the firm emitting more pollution. On the other hand, the development of technology might let people access the environmental friendly technology involves renewable energy, multi-functional technology, and plant-based materials which will reduce the catastrophic impact from the human activities to Earth.

In my point of view, the environmental problem that should be addressed immediately is the air pollution problem. The cause of air pollution mainly from burning the fuels from the transportation, electricity and other house fuel uses. After solve the air pollution issue, the consequences will not be only the better air to breath but also can get rid of the traffic problem from the lessen use in private car which is one of the huge cause of air pollution.

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Essay 4 : 27 June Afternoon Section

Development Economics

The economic growth is the increase in production of the economic goods which can be compared through the time by using the nominal GDP or the real GDP. From the lecture, compare the real GDP growth rates during 1990 to 2014 with 6 countries in ASEAN, Philippines, Indonesia, Thailand, Malaysia, Vietnam, and Singapore, Vietnam had the most stable growth rate at around 5% to 10% even the crisis in 1998 where the growth rate of other countries significantly dropped to negative rate, Indonesia's growth rate had dropped to 15% in 1998 but Vietnam maintained the growth rate at 5%.

The main reasons to controls the growth rate to be high are high interest rate for FDI, industrialization and policies in supporting exports. During 1990 to 2014, Vietnam also used this factors to contribute the economic growth where Vietnam lessen the government intervene and embrace the trade liberalization, lowering the transaction cost and deregulate the domestic reform called Doi Moi reform in 1986, and invest more in human capital and physical capital. These reforms attract the foreign investors more and use the FDI as a tool to develop the country. The foreign investment is not only boost the economy in that country but also transfer new technology into a country with the appropriate infrastructure, environment and policy. If that country is lack of appropriate infrastructure and declare the appropriate policy, this might leads to the barriers of the foreign investors and not attract the FDI.

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Essay 5 : 28 June Morning Section

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Industrial policy and CLMVT economy

The classical economists believed that the market will function best under the condition of minimize government intervention or let the market regulate itself (the invisible hand theorem), however, in reality, we have market failure from non-efficient allocation of resources, national monopoly, negative externalities, and the insufficient information. The government need to use the strategic industrial policy to fix the market failure. From the lecture, the strategic industrial policy means the policies aims at directing economic activity in a proper direction by using industrial diversification; the diversity of the product and service to consume in order to prevent the diminishing marginal utility, industrial deepening; create the linkage between the local sector and the foreign investment, and industrial upgrading; increase the value of the product over time.

We can classify countries by using the country income ranking or national income per capita. About 20% or 47 countries out of 195 countries in the world is low income country, for example, Kenya, Pakistan, Sudan, and Myanmar. Low income country means the country that have GNI per capita no more than $1000. To move the low income countries to the middle income countries, they need to use the strategic industrial policy to change the agricultural country to the industrial country. I agree with the lecturer in this point because value of the agriculture products can be decelerate over time, we can maintain its value or when the product is fresh for a short time, the industrial product can maintain its value for a longer time. Middle in come country means the country that have GNI per capita between

$1,000 to $12,000, and high income country means the country that have GNI per capita for more than $12,000. Most of countries in the world include CLMVT countries stuck in the middle income trap either high-middle income or low-middle income. If the middle income countries want to move further to the high income country, the industrialization is not enough (this process can only move the low income country to the middle income country), they need the industrial upgrading and more innovation.