

**REACTION ESSAY WEEK#2      Piangprae Lertviriyavarangkool 5904640462****3rd Lecture day, 24 June 2019 : Ajarn Nessara and Ajarn Suwalya' lecture**

The morning session of 24 June 2019 was taught by Ajarn Nessara. We were given the lectures to download on BE- Moodle, which the topics were "Trade and Investment" and "FDI Concepts and Case Study". However, for this morning session, we were going through the trade and investment topic first and then we were listening to the brief lecture on FDI concepts in order to do the assignment. The outline of the trade and investment slides were about CLMV Trade with the rest of the world, CLMV trade with Thailand, Inward FDI in CLMV, and Thai direct investment in CLMV countries. We got to analyse and discuss about Cambodia trade with the world statistics throughout year 2010-2016, which we could see the growing exported values. However, they seemed to be growing up less than the imported values. So, I could conclude that from these past years, Cambodia encountered their trade deficit due to the reason that they have had imports more than exports. Moving to Lao PDR trade with the world statistics throughout the same period of years like Cambodia's. We also saw the fluctuation of imported and exported values. From the graphical data, it shows that sometimes, imported and exported values were growing and then dropping for the next year for example, 2013 the imported value was at 3 million USD and the following year, it dropped to 2.5 million USD. Also, in the years (2013 and 2014), imported value was increasing but exported value was decreasing. We could conclude from the gap period between 2013 and 2014 that Laos was facing trade deficit. Next one, we looked at the data of Myanmar trade with the world statistics, we could see the large jump of imported values. Unfortunately, their exported values through out these years were not doing so well, even though, the exported values had been growing gradually from 2010-2015. But in 2016, it decreased. Therefore, from the situation I have acknowledged from these data. Myanmar seems to face some issues to balance their trade due to the reason that they have pretty large trade deficit throughout these years. The best data of trade I have seen so far through 2010-2016 would be Vietnam as they had increasing exported and imported

values and they didn't seem to face such a serious trade deficit as we could see from 2012-2016. Next, we learnt from the important trading partners of CLMV, which China, Japan, and Thailand are related in export and import markets of these countries. The rest like big and countries, such UK, USAm Germany, and South Korea, the data didn't show their names involving in every CLMV countries. We moved into more details about the kinds of export and import goods of CLMV and we could see that Cambodia exports garment and textile products the most and also imports a lot of fabrics, which are used for their materials. Therefore, they have focused on Garment and Textile industry. Meanwhile, Laos exports a lot of copper ores and concentrates and imports Petroleum oils. Myanmar exports petroleum gas and other gaseous hydrocarbon. However, they also import petroleum oils. So, in the class, I was talking to my teammates that maybe it was because they exports raw materials due to the reason that they do not have the potential to process these raw materials themselves. So, they sent them to other countries then imported back finished goods. The professor happened to hear me say this. She mumbled that "Such an interesting assumption". Finally, when we talked about it, she revealed that what I had assumed was correct. Then, we discussed about Vietnam, which seems to focus on technology products as we could see from the table that they export telephone sets mainly and imported integrated circuits. Later, we analysed about exports and imports from CLMV countries to Thailand on 2010-2016, we could see the fluctuations of trade values done with Thailand, Myanmar decreased their exports in 2016, Vietnam increased their trade with us, Laos increased their trade as well, and so did Cambodia. The country that has the largest trade value with us is Vietnam. Then, I got to know what is Inward FDI as we prospect Thailand as a home country and others as host countries. Then, we could analyse inward FDIs, which are the values of foreign direct investments that flow into Thailand.

(Assignment from 24 June that was due to present on afternoon session on 26 June)

Before the class ended on the morning session on 24 June 2019, we had been assigned to do the research on some industries that Thai businesses have gone to invest in CLMV countries. My group

got to do “Beauty Clinic” topic invested. We had prepared and searched for the information. We have found that there are many brands like Wittisak, Dr. Khongkwan clinic, Siam beauty, etc. have already in Laos. On Wednesday, 26 June 2019, we have presented whether it is good to do Beauty Clinic business in Vietnam and we have obtained the information from the FDI concepts class in the afternoon session of that day that it is in pretty good condition in term of risk percentage of doing this business. My group came up with the idea based on the news that due to the reason that Thailand has better medical treatments and appropriate and advanced hospitals. Therefore, our country is a medical hub for neighbouring countries, including Vietnam. So, what we could do in the future is to set up a hospital in Laos, which includes other medical fields and beauty clinic field to answer the demand in medical care of Laos people.

In the afternoon session, we had the lecture with Ajarn Suwalya about marketing topics, which the lecture was divided into 2 parts, we greeted our exchange student friends and taught them how to say some Thai words. Then, we scoped about the topics we would be covering for this afternoon session. We talked about the meaning of Brand, Brand Essence, Brand Building, Brand identities. Ajarn Ja taught us by providing examples of brands to national animals or animals symbolising CLMV countries and Thailand. I just knew that Vietnam has water buffalos as their symbolic animals, Myanmar has peacocks, and Cambodia has Kouprey (which from what I know they were extinct already). For Laos, it was not so hard to guess us they seem to have so many things in common as Thai people like food, language, and they also have elephants as their symbolic animals. I have been emphasized over and over again as I did have many courses with Ajarn Ja before that Brand refers to a name, term, sign, symbol, or design, or combination of them all. The thing that can differentiate each brand is the brand elements, which are those as mentioned. To be able to reach target customers, you must create awareness, reputation, and prominence of your brand, which are elements that have been instructed repeatedly for a marketing student like me. Another thing that is also crucial for a brand is its product(s), as it(they) satisfies(satisfy) the need(s) of consumers.

Products can be either goods or services. We also got to watch many videos, such as Top 15 global brands (How they have competed one another through years), brand value through video relating to McDonald's, which is one of famous global food brands. How to create awareness to your customers through IMC or Integrating Marketing Communication, which is about how to spread out the knowledge of your brand and advertise it. We also learned about brand associations, which are about using some symbolic things or persons to advertise a brand and scope what associates to your brand's products. We discussed about the word "Branded", which is giving a name to a brand and shows possession of products. Next, it was about Culture Technology, which in the class, we were discussing that in order to launch a brand in a certain area, it is important to know demographic and cultural backgrounds of people in that particular area. For technology, Ajarn mentioned about how social media have played important roles for brand building and how much they have influence toward people who use social media through the map of percentage of people who have internet access. We also got to know the data of digital growth in Southeast Asia, which there are more than 80 million internet users and more than 72 millions are social media users. So, it shows that social media have their vital roles in doing businesses nowadays. We learned from example of some case studies, such as Central group does "Snoopy Snap and Share", creating the them "Universe of Happiness" by decorating Snoopy figures in every Central department stores; Snoopy is one of cartoons character that is very cute and funny. Many people love him. People went to mall and took pictures. Kids played on some playgrounds with Snoopy theme. I think it is very adorable and smart idea that they have done this to make their customers happy. Another case study was about Axe , which launched the theme "Fallen Angels" and made their commercial with many pretty girls with wings, who played as fallen angels as they smelled Axe male deodorant. Then, we had some questions arisen whether the campaign of Axe would be suitable to be launched in Asian countries due to cultural differences. We talked about Brand Activation, which its elements are Brand Essence, Consumer insights, Comparative Advantage, Strategic plan, Action-oriented Ideas, Brand

Assets, Communication programs, and Stakeholder Engagement. It can be concluded that a brand's correct and effective communications are very important to stabilise and improve the brand. There are 4 steps of Brand Building, including segmenting & targeting, brand positioning, communications via brand elements (to enhance brand awareness), and customer loyalties (through brand activation).

So far, the information from this class is pretty useful. The class has helped emphasize what I used to learn in my marketing class and it is good to see my professor since I had no class with her last semester.

#### **4th Lecture day, 25 June 2019 : Ajarn Suthep's lecture**

We discussed about "Logistics and Supply Chain Development in ASEAN". First, we did the brainstorm and discussion to come up with what is the current state of ASEAN logistics. Then, we looked back into the past during Industry 1.0, 2.0, and 3.0 (Agricultural, Industry, and Heavy Industry), which these three industrial revolutions were cost-oriented. When we moved to Industry 4.0 which have redesigned supply chain, which generate border trade and urbanisation; e-commerce has played more roles in logistics. Everything has become more convenient. For Industry 4.0, it has generated and combined both B2B (business-to-business) and B2C (business-to-consumers) together, which helps create further development for logistics industry as well. For ASEAN development, it has evolved in these areas, such as Urbanisation(Change from rural to urban), Infrastructure Development(Domestic to international), Trade Facilitation development (Stop services), Institution Development(Both domestic and international), and most importantly Human Resource Development in cities and countries, which will help business sector enhance their capacities and capabilities in productions and supply chains. We got to see the statistics bar charts of which countries' tourists are travelling to Thailand. The data show that Chinese tourists come to Thailand the most, then Malaysian tourists. However, there are data showing that CLMV tourists have increasingly visited Thailand. So, there arises the questions that these people may become the

new rich group. We further discussed about “New Rich”, which was about the shiftment in New Rich Era relating to landscape, demography, and stake holders. We studied the Chinese tourists to Thailand statistics and it was found that there have been an increase in numbers of Chinese tourists visiting each year based on year 2013-2018. It can be concluded that Chinese tourists have played important parts in Thailand income in tourism industry. Then, we looked into study cases of Maekhong, which is one of the important passageways. My group has had an idea later on from studying logistics class’s case studies for our project topic choices. We also discussed on Border City on North-South Economic Corridor. It also helps us come up with another choice of topic that may be an potential option for our project. I got to learn about BIMTEC, which is the technical and economic cooperation done among 7 countries in order to enhance potential of free trade negotiations, eliminate transactional issues, and facilitate the travels. I think it is very crucial for us to pay attention on logistics development because it helps ease our lives in many ways and it can also help generate more income for a country if that country has good infrastructure and effective logistics. Then, I got acknowledge some examples of ACMECS project, such as promoting the use of local currencies, training and seminars for college scholarships, ACMECS Single Visa, contract-farming investment project between neighbouring countries, and communicable diseases prevention and health care quality improvement. I have never heard if this international economic cooperation before because mostly, I have been more familiar with International organisations like WTO, EU, AFTA, NAFTA, and ASEAN etc. But I had never got to know sub-organisations much. So, it is considered as a very great opportunity to listen to lecture of Ajarn Suthep.

Later on, we had a workshop that we had to think about the product that we wanted to export abroad. My group came up with “Goat Milk” products using WHAT, WHERE, WHY, WHEN, HOW to represent our ideas. We had to specify our target group, which we targeted the elder, babies and Lactose Intolerance people. We planned that we would export to Singapore, Malaysia, and

provinces in Thailand through train transportation. It was always pretty fun and challenging to work with the group always.

### **5th Lecture day, 26 June 2019 : Ajarn Nessara and Ajarn Anin' lectures**

In the morning session, Ajarn Anin instructed us how to write our economic reports. There are 2 types of economic reports, which are Theoretical and Empirical. In this class, we would be focusing on writing an empirical paper that is using existing information to test our hypothesis. We also learned about the process of doing a report, including find a topic, write an outline, draft a paper, do a proposal, do a final report, and write an abstract. We learned about the structure of paper or what it's called "outline", which are as follows: *Abstract, Introduction, Lecture review, Theoretical framework or Conceptual framework, Research Methods, Results, Limitation(Optional), and Summary*. Then, he explained into details of each procedure of writing a report process and provided us some examples of topics that have been done from the past year class. Later, he let us gather in groups and tried to come up with the list of interesting topics. I have to admit that this is pretty challenging than any other class that provided the topic for me to do because it is so hard to come up with one with enough data and less limitations. We tried to avoid to do the same topic as other groups also. So, it even makes this more challenging.

In the afternoon we studied with Ajarn Nessara about FDI concepts and did the presentation on the topic "Beauty Clinic" for my group as I have already mentioned above. I have learnt something new, which is the term "Outward FDI" from the other day that I had class with Ajarn Nessara, I have learnt "Inward FDI" already. We listened to the lecture about definition of MNEs and FDIs. We studied types of FDIs, which are based on direction of investment, types of activities, modes of entry, and nationality of investors. Then, we discussed determinants of FDIs, which are Owner Advantages, Location Advantages, Firm-specific Advantages, and Country-specific Advantages. These terms we studied in class helped us in the presentation of Ajarn Chayanee class in the next day as well.

## **6th Lecture day, 27 June 2019 : Ajarn Chayanee and Ajarn Anin**

I have to be brief about their sessions due to the limit number of page I have left, in Ajarn Anin's session, we discussed about positive and negative externalities, Heckscher-Ohlin Theorem, Resource Curve, Growth and Environment, EKC curve, Pros and Cons of FDIs and Free Trade. We talked about environmental issues the world facing currently; HAZE pollution (PM 2.5) and how we could solve the problem. So far, I think the environmental issues need responsibilities of people in very big scale in order to make some changes. So, it seems to be very difficult to make some significant changes.

For afternoon class of Ajarn Chayanee, it was about further topics relating to Ajarn Nessara class. We got to analyse and observe the data of Global Evolution of GDP per Capital, Economic growth in SEA, which there was the recession due to economic crisis in 1997, ASEAN Miracle, which generated ASEAN Tigers like Singapore, Taiwan, Japan, South Korea, and Hong Kong, which nowadays have become ones of powerful countries in the world. We discussed about the meaning of TFP-Total Factor Productivity, and New Miracle for Vietnam due to 3 factors: Trade Liberalisation, External Liberalisation with domestic reforms, and Human and Physical Capital Investment that have changed Vietnam's economy. Then, we discussed the details of Economic Development and watched some Youtube videos to have some clearer ideas. We looked into the data of Economic Development process, Characteristics of Substantial growth, and learned about middle income trap. Some of the information I have already learned before. Therefore, basically this class was to help remind me what I have learnt. After, we had to do the presentation of Doing Business Index, which the presentation went pretty well.

## 7th Lecture day, 28 June 2019 : Ajarn Peera's lecture

He had taught about many topics. We discussed about the strategic industrial policy, such as Industrial diversification, Industrial deepening, and Industrial upgrading.

**Industrial diversification** relates to the creation of new industry and production operations. It has to providing goods and services that appeal to multiple markets rather than focusing on a product line that appeals to mainly one market. For example, *Horizontal diversification* involves providing new and unrelated products or services to existing consumers, while *Vertical diversification* is one of the business development options by choosing a new market in which the company wishes to go with the new product. It may be carried out using company's own resources or by acquiring other companies or outsourcing. **Industrial deepening refers to** the formation of local linkages and the creation of a robust local supplier base, which means that it is to strengthen what firms have already had and make it better. **Industrial upgrading** refers to the process, which firms and workers have enhanced themselves to move from low-value to relatively high-value activities, which is to move up to high value chain. We learned about EOI and ISI failures, which are problems due to low-value activities and low innovative process, and inefficiency governmental institution that favour certain businesses that leads to rent-seeking.

There are many terms that I have learnt in this class. However, it is hard to conclude and say it all in this weekly reaction essay. So, I would like to give a feedback to Ajarn Peera's class that it was such a good opportunity to learn to his lecture because he had asked us many questions that made me think why some problems happened and from what reasons. Some of the topics were relating to industrial policies class that I studied with Dr. Paul before. However, this class could even deepen some knowledge in terms of internal trade and Industrial policies even more.