

June 24, 2019

In CLMV group, the overview trade balance of every member countries mostly are steadily increasing but some may had experienced more fluctuated situation than the others such as Myanmar according to the graphs that illustrate the CLMV countries with the world trade statistics provided in the lecture. Furthermore, not only Myanmar that face the uncertainty situation but Cambodia also. To step closer to for more specific as the provided graphs in year 2010 and the following years until 2016. The statistics shown that Cambodia and Myanmar initially in year 2010, the balance of trades were deficit. But Myanmar had a larger gap difference between exported value and imported value due to the total value of exports was approximately 8,000,000 (US Dollar thousand) but imported only around 4,000,000 using the same unit. Comparing with Cambodia and Lao PDR which the trade balance was deficit as well but in smaller gap difference. However, the net export in Vietnam since year 2012 was nearly close to each other which interpret that the value of export and import is quite similar. The distinction between domestic demand and output of the Vietnam implies that external trade will have a neutral impact on aggregate demand.

In the class after, the instructor Aj.Nessara let us skimming for general information about each countries and doing a group discussion. The analysis of the trade in CLMV countries with the rest of the world , as the tables the lecturer provided, the dominant trading partners in year 2016,import sources was mainly from China approximately more than a 30 percentage not included Lao PDR which Thailand is the main import source. Plus, as Aj.Nessara said Thailand had become the market for Lao. In export source, the United state was ranking number one in both Cambodia and Vietnam.. Additionally, the exports goods mostly are all types of clothes and footwear and the import good , the largest percentage is fabrics. All these data made me truly believe that this is the outcome of AFTA because its

attracting foreign domestic investment from external origin as Cambodia imported fabrics for making clothes in the country and exported as a finished suits, another reason that supported is the wage rate in Cambodia is undoubtedly low compare to the US.

In the afternoon class, Aj.Sulwanya has introduced us about marketing strategies in CLMV. She compared the country as the brand which can identify as symbol, name or sign or a combination of them to differentiate from those of countries. The example that she gave was The national animal of each countries in CLMV. To illustrate I would talk about the symbolic of Myanmar, the peacock, the male peafowl with its striking fanned tail of many eyes that interpret of compassionate watchfulness in Buddhist mythology which represent brand of Myanmar. Furthermore, the instructor mentioned to brand activation as a case study for marketer to encourage positive participation physical or digitally. In my point of view, its obviously that Aj.Sulwanya wanted to use this method as to promoting the countries themselves which the trend nowadays by social media. For, this topic, the instructor encourage us by showing Coke's campaign as an example that implies the brand through social media (in this case using Facebook) for bringing awareness to the people and the coke market share increased from 24 % to 30%. This case example can adapt to CLMV as increasing brand awareness for further trade and also improvement and development in other sector.

This class has widen my perspective surprisingly since everything from the first lecture can be described and got along the linkage between each stage very well. Started from knowing more about ASEAN about getting more depth in to CLMV countries and combined knowledge from marketing in to the countries awareness for in ASEAN group also international market as well.

June 25, 2019

The instructor, Ph.D. Suthep from Mahidol university has introduced us about logistics and supply chain development in ASEAN. The logistics are classified into two different level, macro logistics and business logistics. The macro level logistics using linkage between country and business logistics is from firm to firm as well as inventory management. Initially, he brought up the understanding among ASEAN logistics and explained the difference between cross border and official international business. The instructor also mentioned that cross border is usually known as Gray business or brother system which are more flexible in taxation.

However, there was a high competition in the first place. The instructor let us giving the advantages of travelling to Thailand which can be listed as follow breathtaking natural sights, the food is delicious and also cheap. But in Vietnam ,Indonesia and Myanmar also have beautiful natural places as well. These countries could be major competitor group. Consequently, instead of competing for tourists. They change competitors to partners as a key success. The good point of partnership such as aircraft partner, is cooperated flight between ASEAN countries could generate more opportunity for travelers to explore the countries.

The higher level of convenience in ASEAN logistics lead to more investments, in case of Lao. Chinese people invest as a majority group plus Lao policy is also allow Chinese to invest up to 1million people. In my point of view, after more coming Chinese citizens , the investors in Lao have to redesign development plan because there are even more Chinese than Laos as the increase in the segmentation of the target group. On the other hand, this policy is not always cause positive externality, If the Chinese has made the environment issue. In the study of investing banana farm, Chinese has been using a lot of chemical which results in creating negative externality.

The adjustment of international logistics cross border development has occurred over time. The instructor provided table that illustrate the overall logistics trend that can be categorized by industry from 1.0 to 4.0. Normally, industry 1.0 to 3.0 is focusing on cost oriented as big fish eat small fish due to the economic of scale. Small size firm were being exploit back then. Moreover, the trend between that time also known as red ocean strategy which every firm selling the same product which definitely lead to price war.

In contrastingly, the industry 4.0 has re-design supply chain and also giving more priority to customer as the industry normally focus on business to business in the first three era but these day it depends more on consumer. The innovation is developed known as the blue ocean strategy or customer oriented which concerning more on demand and understanding customer behavior and increasing customer satisfaction. There were some interesting report that reflects the understand of consumer behavior. In Malaysia, they try to understand Chinese demand also supply chain as well for being number one exporting durian to China.

All of the contents made me realized the situation the my home country (Thailand) in. Even there is a huge opportunity of collaboration and connection logistics between countries for further trade. But the innovation of individual country is also a major key for sustainable growth as well. Fortunately for business that has adapted or re-design their product as catching up to customer behavior, but some still remain the same. That is an disadvantage as the macro view, the country would reach to customer slower than other countries. The solution I would suggest is every firms have to understand their position and target group then also re-design their business innovation as the time pass.

June 26, 2019

Nowadays, many firms are turning to new destinations of investing and business. Therefore, the study of global enterprises has become more significant to drive economic growth with different objective such as natural resources or market expansion. It is obvious that the investment dealing between countries would be make easier for further advantages. As the time pass by the new technology has been developed, even people from different continent can communicate in a second.

Today, Aj.Nessara taught us about Foreign direct investment and multinational enterprises as well. The instructor classified foreign direct investment based on various types. Also giving an example of each type. In the class, she gave the example of backward vertical FDI. In this case is Thai clothing investment, the investor using fabric from neighbor countries ,Cambodia, and then export back to Thailand for producing cloth. Nevertheless, I have to say that initially I didn't understand why the investor have to invest in other countries, that would be more complicated and also hard to cooperate. But after the class, I realized the key reasons behind of investment in other nation. In the provided example Thailand case, the motives of foreign direct investor is natural resources due to in Cambodia has a large source of fabric manufacture cost as well as labor cost. Therefore, the firm using Cambodia as country-specific advantages which benefits arise from the environment of the country such as natural market factor endowment for their own comparative advantage.

Furthermore, the instructor assign a group project related to business to invest in the Lao PDR. My group chose factory producing cloth industry as the topic as we see the location advantages as our strength because Laos labor cost is quite low compare to Thailand and cheap factor price. Plus, investment in Lao also increase in both instar-firm knowledge and goods flows for efficiency in in operation as one type of resource seeking. For foreign

direct investment make Lao become more developed by technology transform and more income distribution. However, Aj.Nessara suggested that even the wage in Lao is low in price but in Lao, there is a great amount of holidays which could be drawback for the firm.

This class has widen my perspective a lot. It taught me that foreign investment not only seeking for natural resources but further benefits as well. Moreover, for the trouble-free in different culture the investors could joint venture with local firm or even merge together. All these I mentioned as I adapt from my precious knowledge from marketing class and economic class, they can be used as strategies for the companies. The foreign direct investment not only benefit for the firm itself but also the local people in the hose country too.

June 27, 2019

After finished the economics of multinational enterprise lecture yesterday, this class is the consequence after the investment. Aj.Anin came up with the topic of spillover effect or externality. First, the instructor explained about the resource curse or also known as the paradox of plenty which refers to the countries with an abundance of natural resources such as fossil fuels and mineral.

In the class he gave the example case of jade mining industry in Myanmar. From the clip that provided, the value of mining is worth almost half of the GDP which can transform the future of the country but local people only get few benefits. The one who steal the opportunity of a more prosperous future are secretive companies with powerful military connections. As these companies keep exploiting the Myanmar lead to the large social cost. In this case is mining which has long production timeline, site-specific nature ,production volatility and non-renewable nature has created enormous negative externality. The cost of this situation is not the cost of the production but it is the cost that hurt other sectors of the economy.

As the increasing conflict of interest, the more political instability, the more people in Myanmar think of the jade mining as the resources curse. But the perspective of resource curse in Myanmar perspective is quite different because the curse they meant is as they walking in jade land and luckily find a jade stone they can be arrested by law.To explain more about exploitation, even the value of mining is very large but why the country is still developing due to only a small share of the production value of the resource stays in the country and fail to compensate the state and communities for depleting their resources.

In the afternoon, Aj Chayanee mentioned about development economics, the mainly focus country that the instructor introduced is Vietnam. First, she explained the Doi Moi

economic reforms of 1986 as the Asian miracle due to the maintenance of very high growth rate. Main reason are industrial position and high export as the Asian country try to build up their own industry by setting high tariff made the rapid growth industrialization and increasing capital investment from foreign investments. The key significant factors in Vietnam is reform and try to lower cost of doing business or transaction cost. Plus, embracing trade liberalization for further export which bring revenue to the country that make Vietnam from low-income country to middle-income country.

To sum up, Vietnam gains competitive advantage from Thailand due to risen minimum wage. However, if Vietnam still cannot produce their own technology or more innovation as more sustainable comparative advantage , the industry will be sooner or later sunset. Moreover, Vietnam should be very carefully concern about the middle-income trap as Thailand faces as unable to compete with lower-income or wage economies in manufactured exports and with advanced economies in high-skill innovations. I would suggest to create more stability in the economy which mean not too high inflation for attracting foreign investment and also let markets allocate resources as well as committed, credible and capable governments and institutions.

June 28, 2019

Nowadays, policies becoming the part of the economy as the implement. Some countries, the impact of strategic policy helps to encourage the development and growth of the industry. Today, in the first session Aj.Laurids came up with the strategic industrial policy in each period . However, the objective is still unchanged that is steering economic activity in a particular direction. This reminded me about how industrial development in China has affected by policies in China. The advantages of military dictatorship in China has made the policy even more efficiency and straightforward decision making in order to development.

In the class, the content is also mentioned about the impact of technology and globalization as it has changed the industrial development of employment. These day the 4th industrial revolution is based on cyber-physical systems and also new innovations. The technologies has begun to be the heart of the industry change. To illustrate giving the case of artificial intelligence that is an advanced robotic ,captured production in unused using data and make the project to grow by four times. However, in CLMV countries still have little using of advanced robotics which make them be disadvantageous in the market. But on the other hand, if there were high investment in technologies such as artificial intelligence, it would create less employment due to the automation has replace the labor work.

Moreover, the machinery would make wage is less important to industrial sector and also create inequality. As the instructor provided table there has been an increasing percent in share of workers with high risk of attemptability. The large concern would be the jobs that may never come. Therefore, in my opinion the people have to change as the technology changed. The solution would be improving education and skills plus creating pathways to production careers.

Even, they are quite various disadvantages of innovation but it has made the production more efficient and greater economic growth by cost reduction and increase in revenues from smart, connected, customized products and increase in handle production task by almost half of the manufacture. As more people in CLMV are moving from other sector into industrial sector and the industrial sector becoming important economic driver ,the policies in each countries should be ruled appropriately in my perspective for further GDP growth and benefit for people in that country. By good management would make low income country to middle income country such as Vietnam. In spite of that, in CLMV countries should be supported each other in order to economic growth and reduce the development gap as the objective of CLMV.