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CLMV

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Week 2 Essay

-24 June 2019 (morning)

Nowadays CLMV counties - Cambodia, Laos PDR, Myanmar and Viet Nam- have more important role the world economy which on this essay will illustrated about CLMV trade and investment with Thailand and the rest of the world from year 2010 to 2016, Inward FDI in CLMV and Thai direct investment in CLMV.

Firstly, Thailand and China became a huge trading partners with CLMV. Among the graph on the lecture note, we can see that there are some fluctuations in Myanmar and Laos but more stable increase in Viet Nam and Cambodia. Deeply into what they trading with Thailand showing that our country has positive trade surplus with the CLMV counties. For example, all CLMV counties import motor vehicles and motorcycles from Thailand.

In term of the inward FDI to CLMV counties China, South Korea, Singapore and Thailand are the main investors in CLMV. There is widely concur that Viet Nam has the largest GDP among all CLMV counties carrying more FDI from other counties which welcome foreign to investing. On the other hands, Thailand play much important role in all those counties with the highest investment was in Viet Nam and the most important sector are wholesale and retail meaning that no matter some advantages and disadvantages on those CLMV counties. They still have an economic growth continuously.

-24 June 2019 (afternoon)

Form the American Marketing Association (AMA), a brand is a “name, term, sign, symbol, or design or a combination of them, intended to identify the goods and services of

one seller or group of sellers and to differentiate them from those of competitor. These different components of a brand that identify and differentiate it are brand element. Many practicing managers refer to brand as more than –as something that has actually created a certain amount of awareness, reputation, prominence, and so on in the marketplace.

A product is anything we can offer to a market for attention, acquisition, use, or consumption that might satisfy a need or want which it may be a physical good, a service, a retail outlet, a person, an organization, a place, or even an idea. Ultimately a brand is something that resides in the minds of consumers. The key to branding is that consumers perceive differences among brand in a product category.

Nowadays, cultural and technology plays an important role of consumer behavior in society, meaning that lifestyle –live, eat, etc. Collective society relation building importance. Brand Activation rallies around activity that brings brands to life and encourage positive participation –physical or digitally. Activating the brand for the strongly results requires consistency with brand strategy and finding the correct communication and marketing mix. There are four steps of Brand building which is generate the segmenting and targeting, brand positioning, communication via brand elements, and customer loyalty.

All of this information can be adapting with each country creating more valuable and image of the county which not only the product they import and export but all entire system. For example, “Thailand the land of smile” has been use commonly as a slogan of our country represent the cozy welcoming feeling for everyone.

-25 June 2019 (afternoon)

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On the lecture, I have learned about logistic and supply chain development in ASEAN. Thailand's role as a regional manufacturing powerhouse and its ability to successfully with the increasing in demand of cross-border logistics services provide a

prominent position in ASEAN's regional supply chains. As we are one of the key ASEAN transport and logistic hubs with more than 30 provinces connect with Myanmar, Laos, Cambodia and Malaysia. We doing business logistic by focusing on how we ordering and producing product and purchase from supplier with low cost.

Cross border is very important in Asian. Among the good relationship between Thailand and many countries next to us. We can use the brother system, unofficial business, to makes lower cost of transportation. For example, we might export 10 tons of product but we have to pay just only for 1 ton.

In terms of international logistic cross border, the original ideas come from Germany. Since industry 1.0 to 3.0, basic logistic transportation export only by road and sea which the firms will concern more on cost, selling a huge number of product by understanding of the economy of scale. But nowadays, after there are more competitive in the market which makes the firms to lower the price. Consumer behavior can be access to internet especially logistic service such as Grab, Line Man, Kerry and etc. This logistic service transforms themselves from big to smaller size so it easy to be access their goods and services.

From my point of view, logistic is not about the transportation but it is the linkage and the relationships between country. Thai startups should seek opportunities to tap into B2B and logistics business, as ecommerce will expand the demand for logistics and several logistics startups will be able to enhance transportation efficiency. For example, One Belt One Road to China promoting the trade between each country and generates mutual economic benefits. Not only that, it also provides the opportunities in to every business such as tourism, healthcare education and etc. Finally, logistic is one of the main process on doing a business. The key to the success is to be fast and adaptive among the consumer behavior.

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-26 June 2019 (afternoon)

Foreign direct investment or FDI is an investment made by firm or individual in country into business interests located in another country. FDI takes place when an investor establishes foreign business operation or acquires foreign business assets based on several information: direction of investment, types of activity, modes of entry and nationality of investors.

Focusing on Laos PDR, despite the landlocked status, Laos generate the fastest-growing economics among the ASEAN counties. They have made strongly growth rates for the past ten years which increase FDI by more than 500 USD million in fourth quarter of 2017. The advantage of this country is that they have lots of resources, particular agriculture, forestry, minerals and especially electricity. According to the reports, Laos now exports about two-third of all hydropower it generates to other country aiming to be the battery of ASEAN.

However, the infrastructure in the country was undeveloped with high rates of poverty and the global competitive index in Laos seems to be lower than the average level in almost all aspects. This issue might cause a problem on doing a business in there. Apart from that with more advantage than disadvantage, Laos still be the destination of many business investors to be dealing with.

From my perspective, Laos was an interested country to be dealing the business with. Since we have a good relationship sharing a border linguistic and cultural similarities. There are no political and security difficulties to trouble their bilateral relations. Conclude that we have good reasons to build closer ties pushing ahead with cooperation for our mutual interest.

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-27 June 2019 (morning and afternoon)

Investing and trading are two different method of attempting to profit in the market which both investors and trader seek profit through market participation. There is no doubt

that the total import and export of CLMV countries have increased from the past decade. This made by the invention of free trade agreement and the increase of foreign direct investment in ASEAN. On one hand, free trade provides more varieties product in the market which all the resources can be used more efficiently and also can be export with the cheaper cost. On the other hand, it might domesticate the industry in the country going out of the business if they can't produce at cheaper cost. In terms of FDI, the country can adapt the new technology leads to higher employment, skill labor and also economic growth.

Economic development usually refers to the adoption of new technologies, transition from agriculture-based to industry-based economy, and general improvement in living standards. According from the discussion, the increase of economic can cause the increase of pollution, but now Free trade proponents argue that FTAs have a positive impact on the environment because after liberalization countries will access to environmentally friendly technologies, produce goods in which they have a competitive advantage and have a greater income due to trade liberalization. On the other hand, environmentalists argue that trade liberalization is detrimental for the environment because it will expand more polluting industries and encourage more polluting industries to locate in countries with lax environmental regulations. Some of the common concerns whether to reduce barrier to trade reinforcing the tendency for countries to export commodities that make use of resource-intensive production factor and provide the environment tariff. This may have employed against trading partners deemed to have environment standards.

From my opinion, economic development is a policy intervention with aims to improve the economic and social welfare which economic growth is a phenomenon of market productivity and rise in gross domestic product meaning that economic growth is one aspect of the process of economic development.

-28 June 2019 (morning)

Strategic Industrial Policy (SIP) is the forward-looking package of policies aimed at steering economic activity in a particular direction aiming to develop industries with the help of technology. It consisted of industrial diversification, deepening, and upgrading; All integrated technology into their production to produce goods at a more efficient level. SIP is part of an overall development strategy identify priorities and promote cumulative change in the direction chosen.

The middle-income trap is a theoretical economic development situation, in which a country that attains a certain income. World Bank acknowledges that several Asian counties are in this situation where they can complete neither on low wages nor on technology. In order to climb onwards to higher income level, the policy and institution changes needed are more challenging technically, politically and socially.

Thailand rank second in the world in the export of hard disk drives; sixth in the export of rubber tires; seventh in the export of computer devices; and 12th in automotive exports. One of the five largest petrochemical and biofuels producers in Asia but we are trapped in a middle-income for long time which we can no longer compete against such low-wage, low-income Asian producers as Cambodia, Laos, Myanmar and Vietnam. While education in Thailand continues to suffer from declining standards, our neighbors are performing and forging ahead. Thailand 4.0 is a distant fantasy but no one has much trust in Thai e-commerce businesses. To get over this situation we should appears to make deeper government investments and offer incentives in infrastructure which offer more foreign investment that can help spark higher economic growth through innovation.