

East Asia Economic Integration and the Roles of JETRO

Japan External Trade Organization,
Bangkok Center

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Characteristics of Japanese investment in Thailand

- ◆ One of largest Japanese investment cluster in the world.

JCCB member companies: 1,250

with non-member companies (mostly SMEs):

6,000 – 7,000

Number of Japanese Affiliated Companies

Source: “Toyokeizai” 05//2006

Country	Number
China	4404
S. Korea	677
Taiwan	901
Vietnam	249
Thailand	1529
Singapore	1034
Malaysia	771
Philippine	449
Indonesia	672
India	198

- ◆ Bases for manufacturing industry, especially automotive and electronics industry.

- ◆ 40 years history of experience of manufacturing.

shifting from textile and food processing to automotive and electronics; Siam Motors & Nissan : established 1962

Japan: The leading investor in Thailand, accounting for 40-50% of inflow

Foreign Direct Investment in Thailand Accumulated Value, 1985-2005 Application Approved Basis

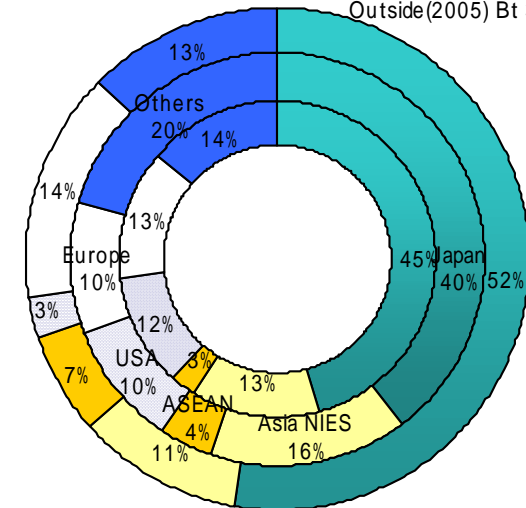
Unit: Numbers, Million Baht

County/Region	Number		Amount	
		Share		Share
Total Foreign Investment	10,747	100.0	4,150,265	100.0
Japan	4,144	38.6	1,680,209	40.5
Asia NIES	3,547	33.0	888,573	21.4
ASEAN	522	4.9	138,852	3.3
USA	982	9.1	636,364	15.3
Europe	1,677	15.6	832,127	20.0

(Note) Japanese share in FDI to China is around 7-8%.

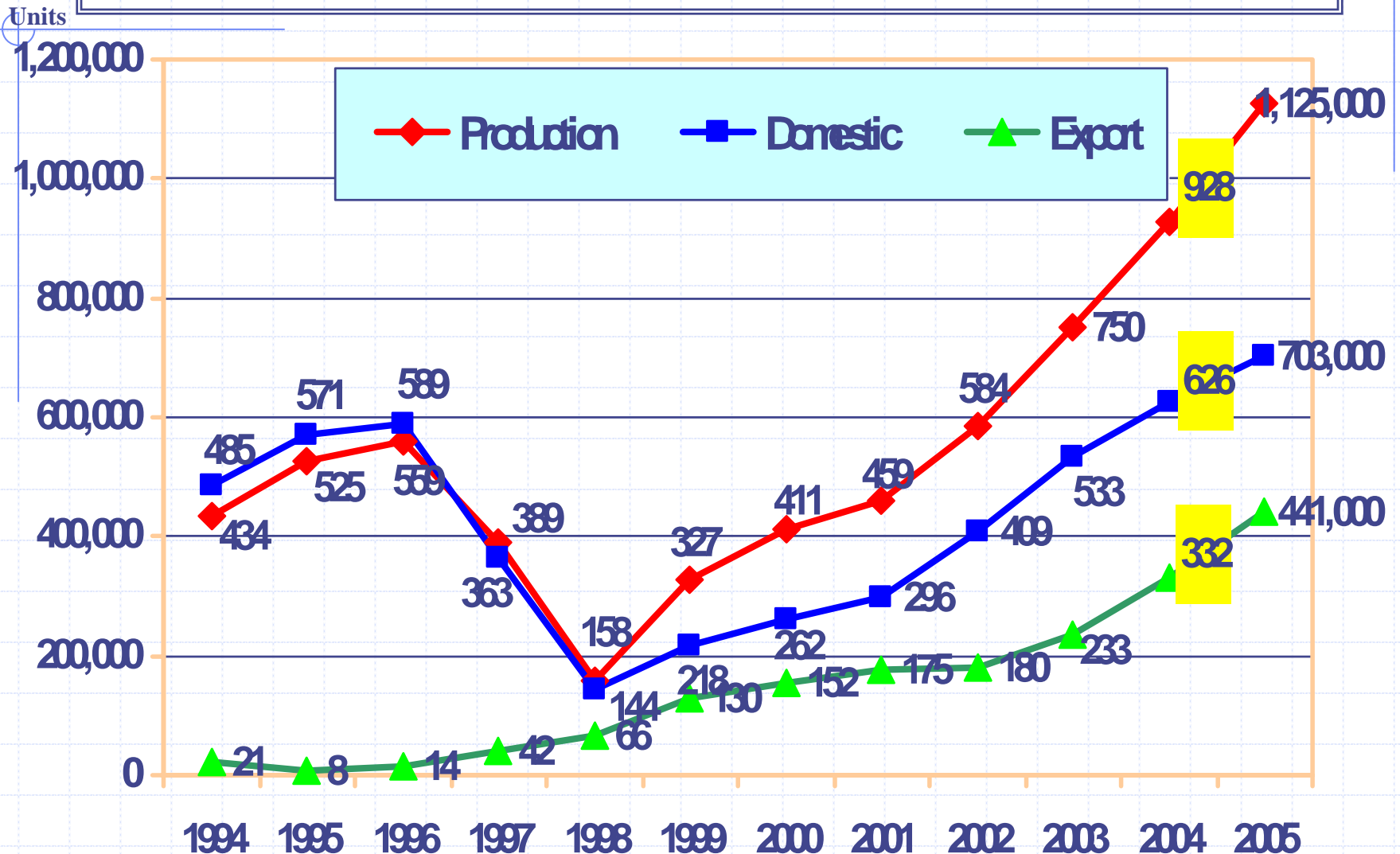
Foreign Direct Investment in Thailand, Application Approved Basis

Inside (2003) Bt 212.6 Billion
(2004) Bt317.3 Billion
Outside(2005) Bt 325.8 Billion

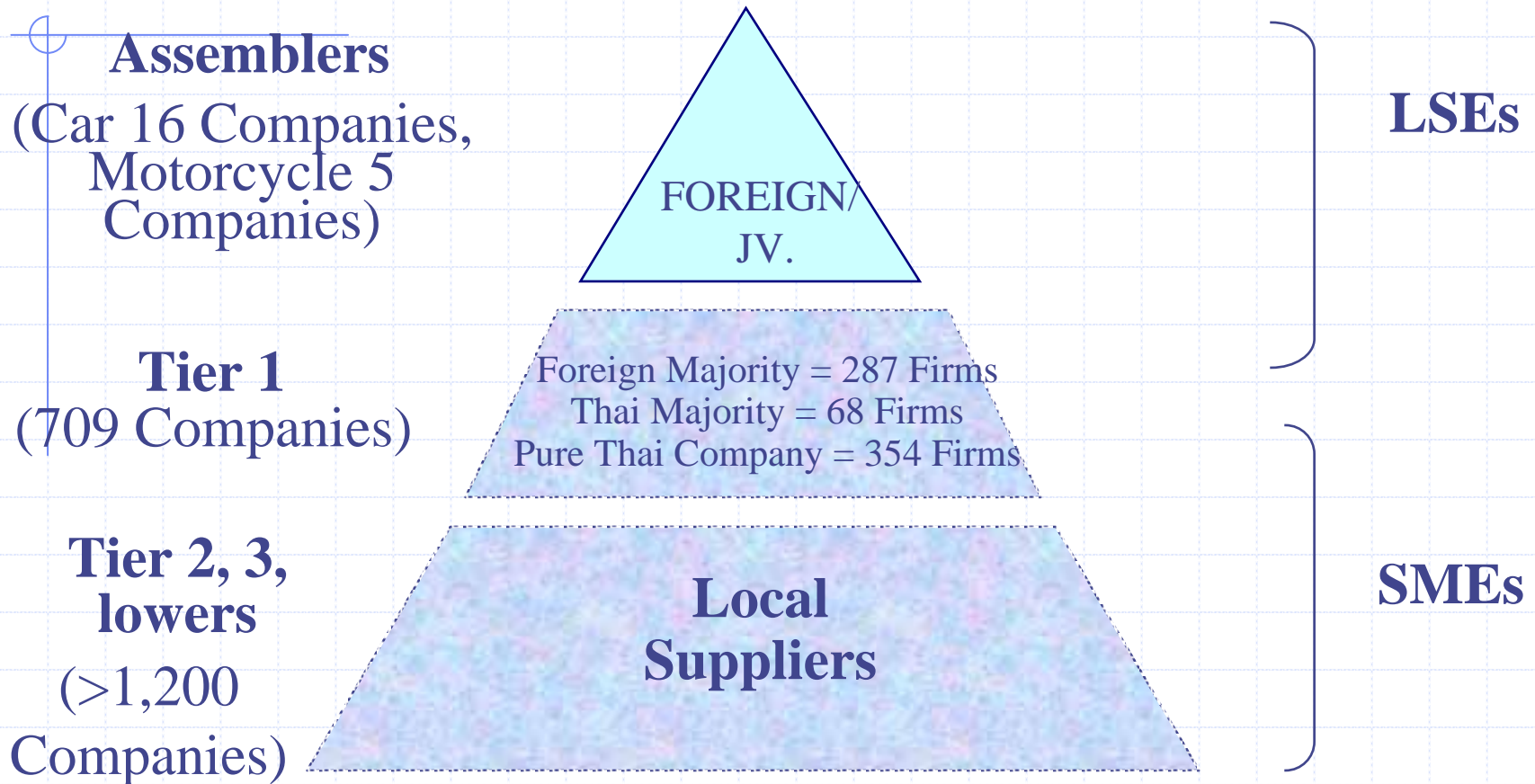


Source: Board of Investment(BOI) in Thailand

Automobile overview in Thailand: Recovery from the crisis and new growth



Thai automotive industry structure: Many assemblers and supporting industries (The largest cluster in ASEAN)



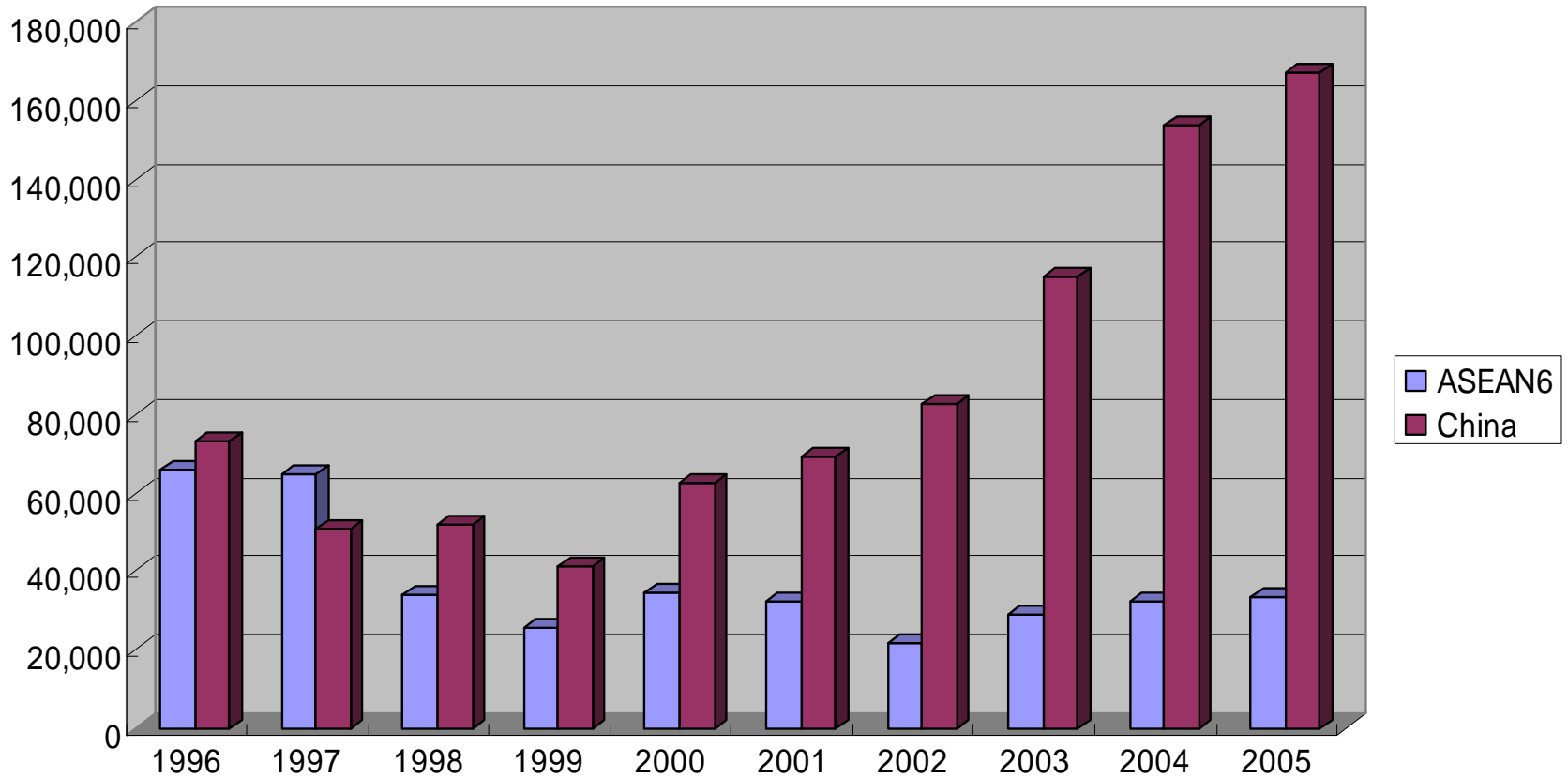
[* LSEs : Large Scale Enterprises SMEs : Small & Medium Enterprises]

Source: Thai Automotive Institute

World investments to China and ASEAN

FDI to China and ASEAN(approval basis, world total)

(unit: million US dollars)



(remarks) ASEAN6 = Thailand, Malaysia, Indonesia, Philippines, Singapore, Vietnam

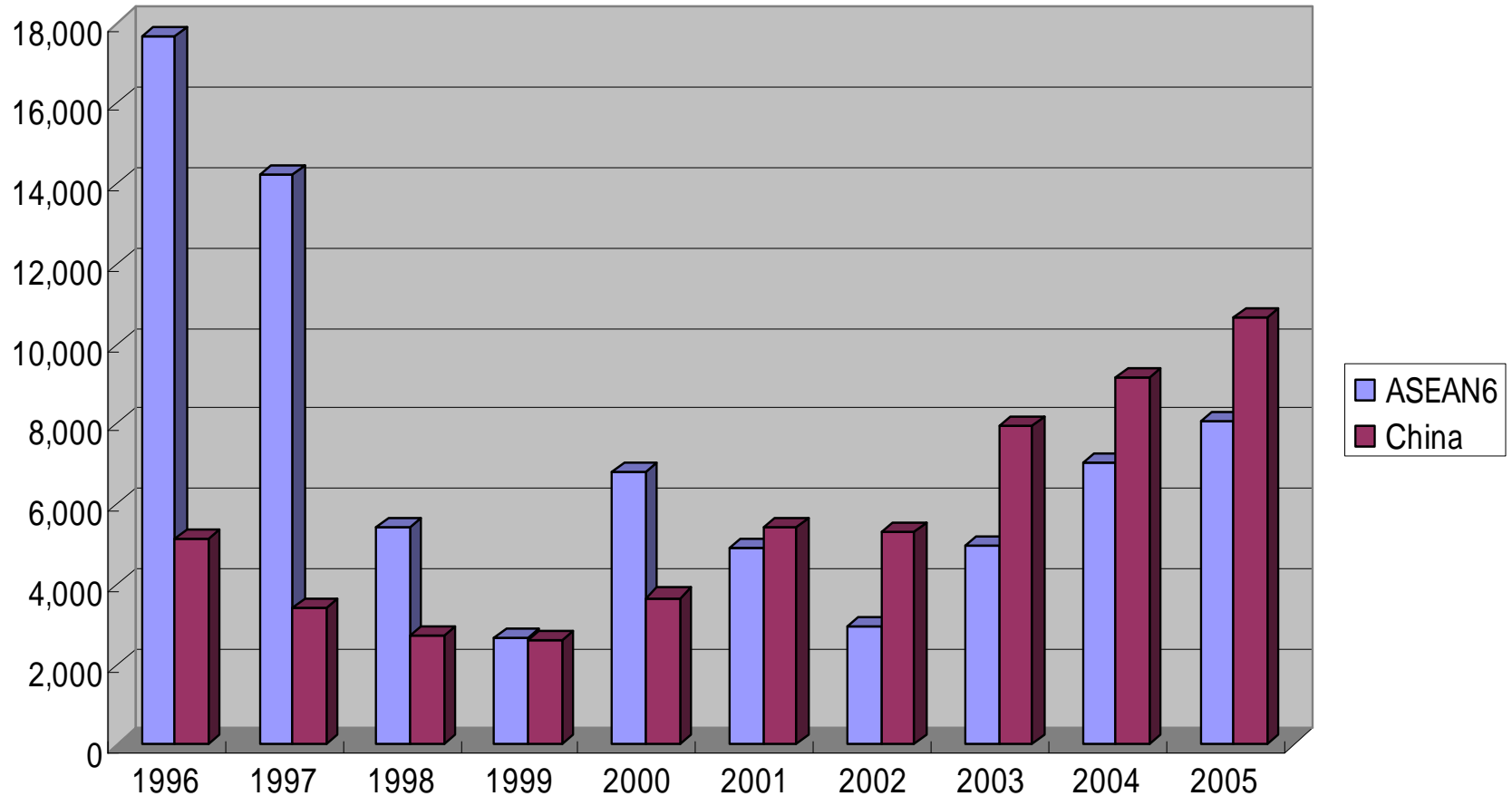
the date of 2005 = China: Jan-Nov, Singapore, Malaysia: Jan-Sep, Philippines: Jan-June

(Source) statistics of each countries

Japanese investments to China and ASEAN

Japanese FDI to China and ASEAN (Approval basis)

(unit: million US dollars)



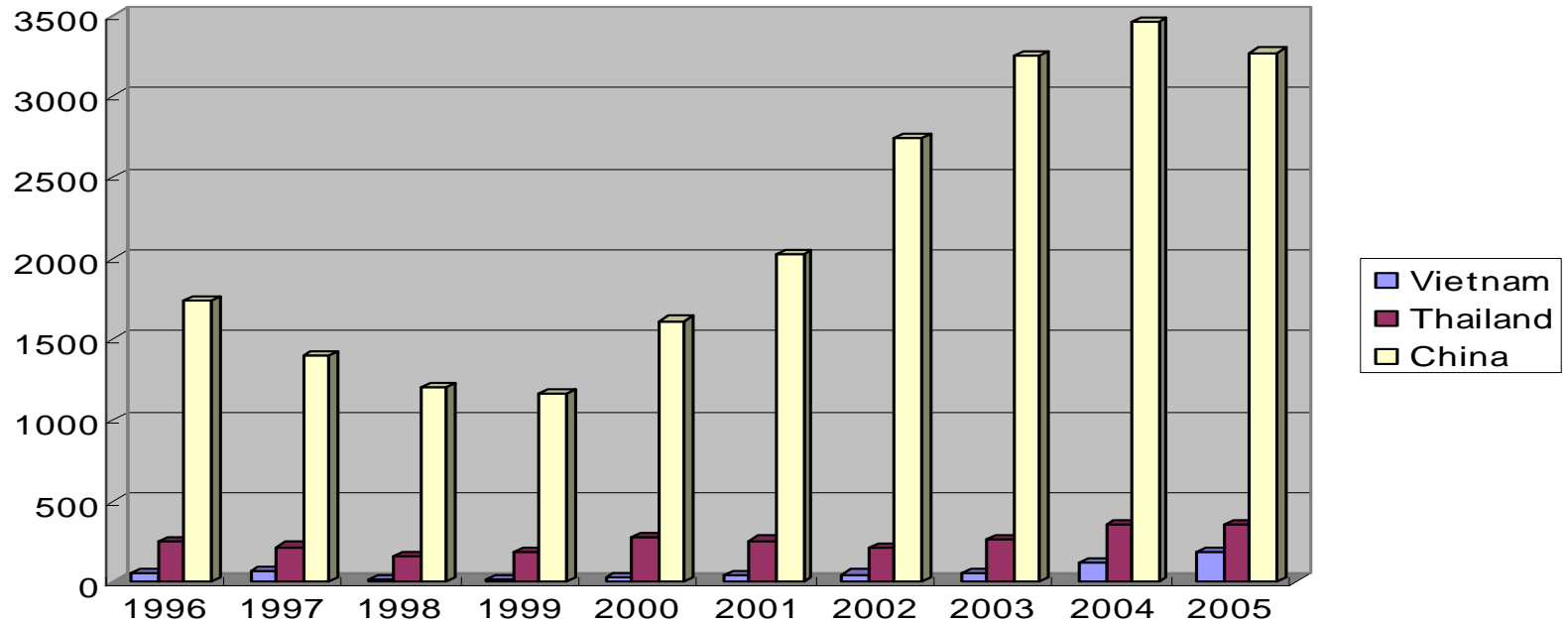
(remarks) ASEAN6 = Thailand, Malaysia, Indonesia, Philippines, Singapore, Vietnam

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(Source) statistics of each countries

Japanese FDI to China, Thailand, Vietnam (the number of the projects)

Japanese FDI to China, Thailand Vietnam(Approval basis)



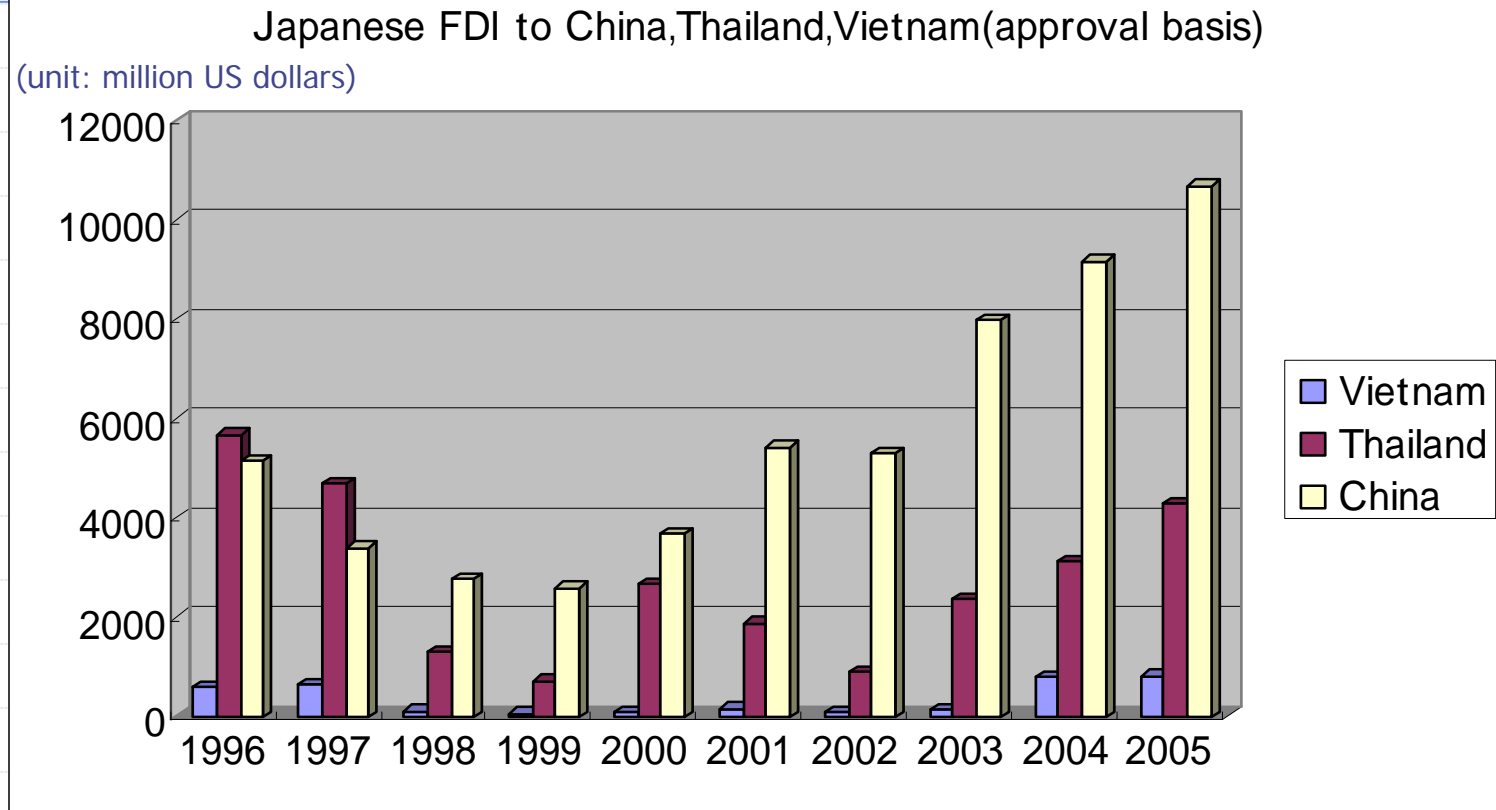
(unit : number)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Vietnam	54	65	12	14	25	40	48	53	124	182
Thailand	254	219	157	185	282	257	215	260	350	354
China	1,742	1,402	1,198	1,167	1,614	2,019	2,745	3,254	3,454	3,269

(remarks) the figures for Vietnam before 2003 do not include expansion investment

(source) statistics of each countries

Japanese FDI to China, Thailand, Vietnam (the value of the projects)



(unit: million US dollars)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Vietnam	591	657	108	62	81	163	102	120	784	813
Thailand	5,670	4,677	1,304	712	2,677	1,876	894	2,353	3,131	4,266
China	5,131	3,401	2,749	2,591	3,680	5,419	5,298	7,955	9,162	10,681

(remarks) the figures for Vietnam before 2003 do not include expansion investment. The figures for China of 2005: Jan-Nov
(source) statistics of each countries

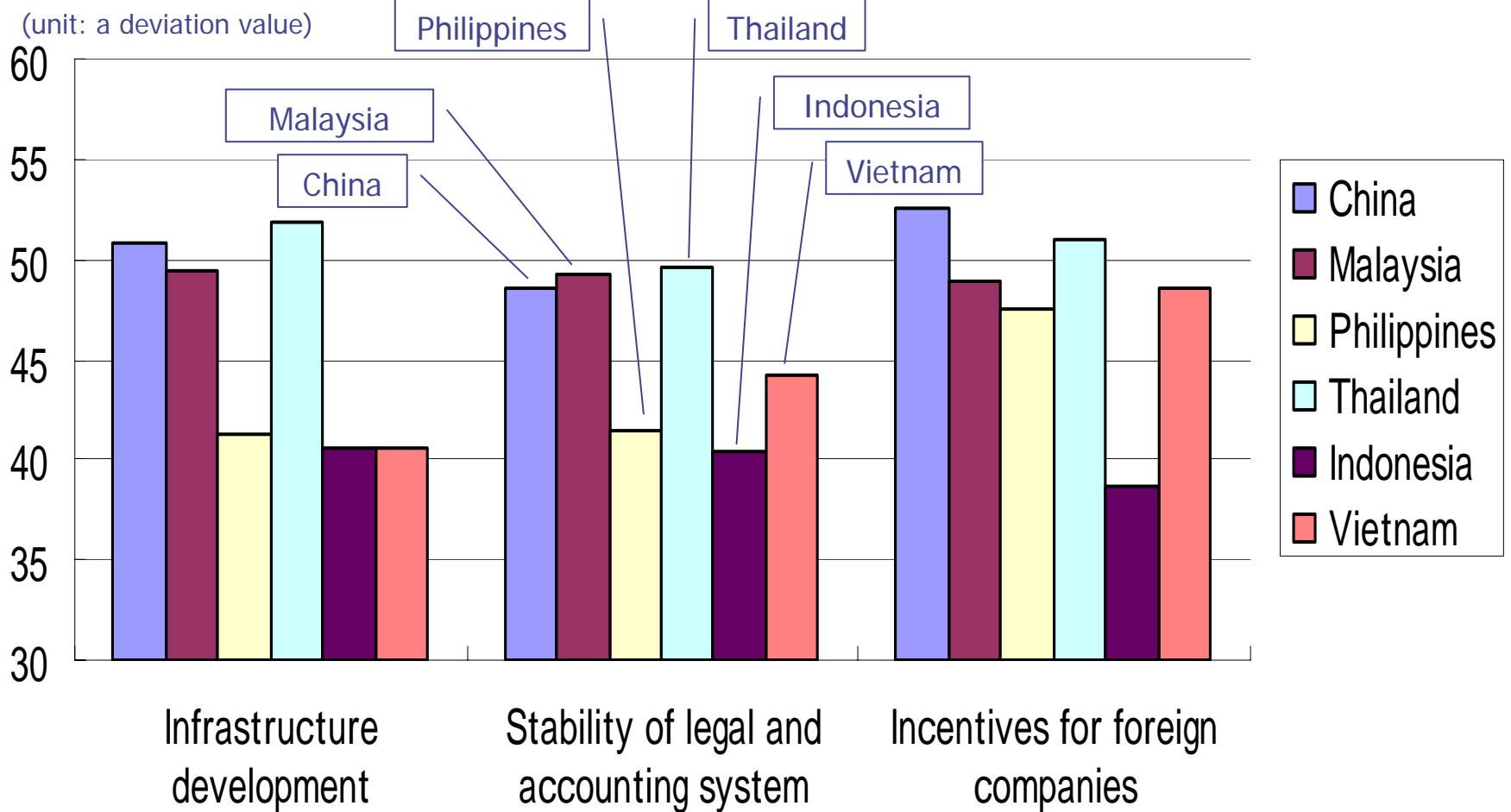
Thailand, gaining more popularity among Japanese investors after China, India

Favorable host countries for mid-term (3 years from now) business expansion by Japanese companies

	98	99	2000	2001	2002	2003	2004	share	2005	share
1	China	China	China	China	China	China	China	91%	China	82%
2	U.S.A.	U.S.A.	U.S.A.	U.S.A.	Thailand	Thailand	Thailand	30%	India	36%
3	Thailand	Thailand	Thailand	Thailand	U.S.A.	U.S.A.	India	24%	Thailand	31%
4	Indonesia	India	Indonesia	Indonesia	Indonesia	Vietnam	Vietnam	22%	Vietnam	27%
5	India	Indonesia	Malaysia	India	Vietnam	India	U.S.A.	20%	U.S.A.	20%
6	Philippines	Vietnam	Taiwan	Vietnam	India	Indonesia	Russia	10%	Russia	13%
7	Malaysia	Malaysia	India	Taiwan	Korea	Korea	Indonesia	10%	Korea	11%
8	Vietnam	Philippines	Vietnam	Korea	Taiwan	Taiwan	Korea	9%	Indonesia	9%
9	Brazil	U.K.	Korea	Malaysia	Malaysia	Malaysia	Taiwan	8%	Brazil	7%
10	U.K.	Brazil	Philippines	Singapore	Brazil	Russia	Malaysia	6%	Taiwan	7%

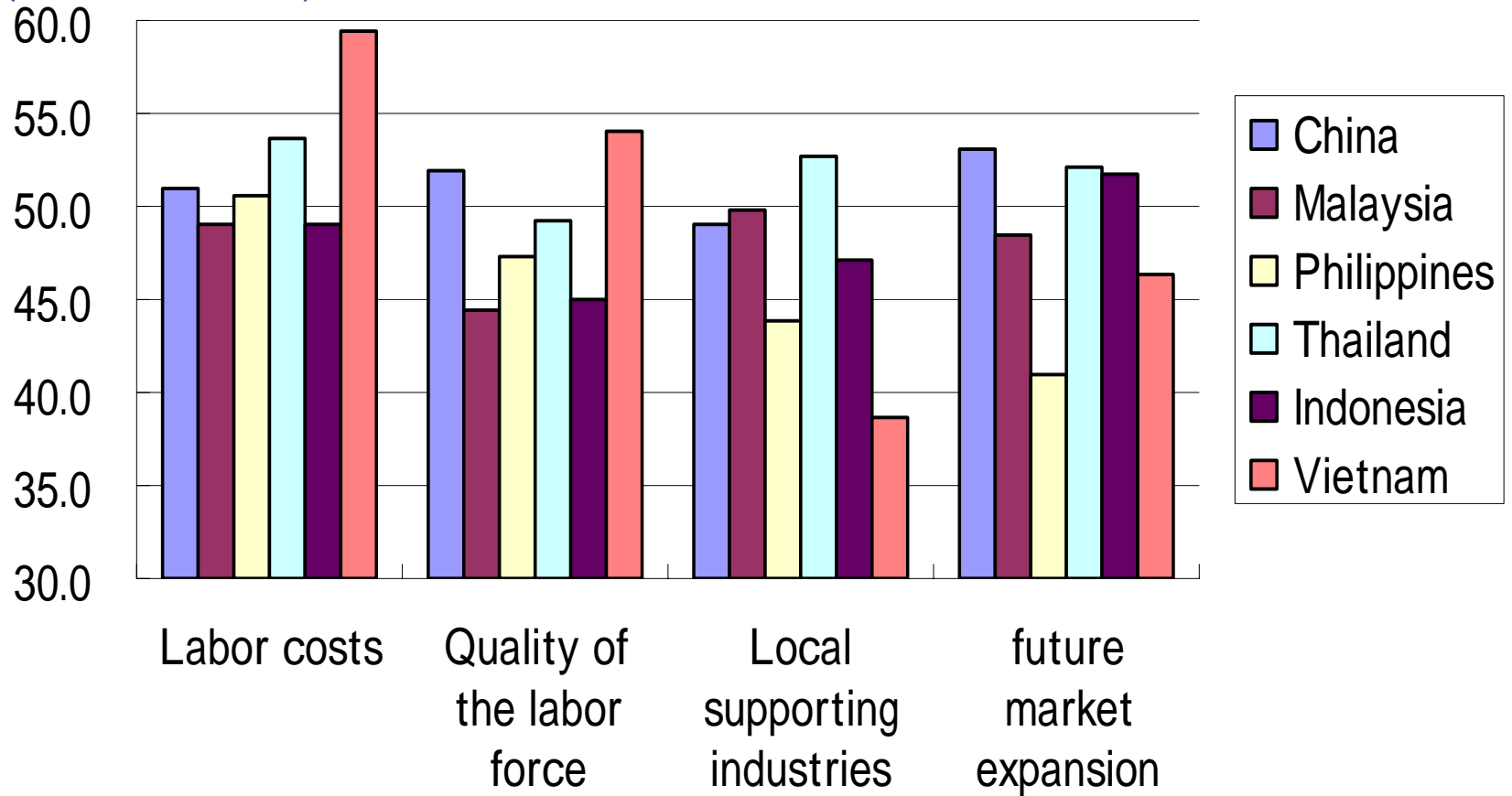
Source: Survey on Foreign Direct Investment, Nov. 2005 (JBIC)

Investment climate as evaluated by Japanese affiliated companies

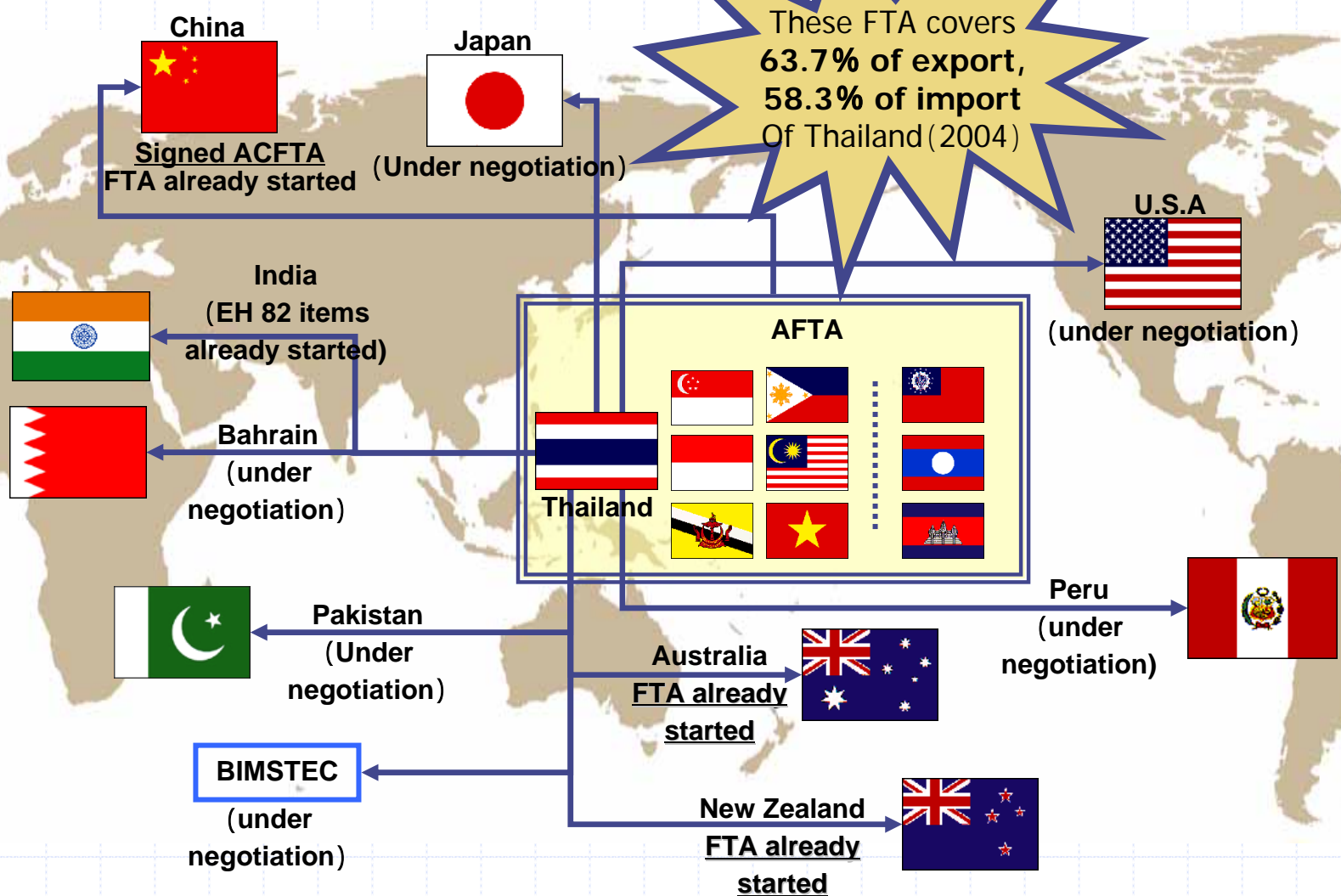


Investment climate as evaluated by Japanese affiliated companies

(unit: a deviation value)



Thailand's bilateral FTA



Our role to promote ‘East Asia Economic Integration’

- ◆ “10 Recommendations on the Comprehensive Economic Partnership between the Association of Southeast Asian Nations (ASEAN) and Japan”

 - Supporting ASEAN’s efforts to narrow intra-regional disparities

 - Facilitating logistics services

- ◆ Offering JETRO Global Network* to attract Japanese investment to this region

 - Investment information providing and Investment seminars in Japan and ASEAN

 - Business delegations from Japan and ASEAN

***73 overseas in 55 countries (21 in Asia) 38 in Japan**