

RESEARCH ON THAI SMALL-MEDIUM ENTERPRISE INDUSTRY ANALYSIS FROM ASEAN ECONOMIC INTEGRATION-TAKING MANUFACTURING AS AN EXAMPLE

CHAPTER 1 INTRODUCTION

1.1 Research Background and Meaning

1.1.1 Background

After the 20th century, the WTO as a platform for international trade has gradually declined, and regional economic integration has increasingly attracted the attention of various countries. However, the economic integration of ASEAN region is conducive to the rapid growth of the East Asian economy and even the world economy. Under the economic integration environment in the ASEAN region, based on the factors of the enterprise itself and the external environment, how the Small and Medium Enterprises (SMEs) should correctly choose the enterprise development model and development strategy in order to improve the enterprise's competitive advantage is the main issue to be studied in this paper Vrande, and Rochemont (2009). Otherwise, companies will soon face many difficulties that will seriously restrict the growth of enterprises. SMEs cannot obtain development chances and affect the sustainable and healthy development of the national economy. From the perspective of Thai SMEs, due to joining the ASEAN regional economic integration organization, the external environmental factors that companies face have begun to appear many new changes. How to explore the main influencing factors for the development of Thai SMEs, strategic selection and coordination of enterprises, and the long-term development of enterprises in the context of ASEAN regional economic integration. And *the One Belt One Road initiative* has become a focus of renewed attention.

In the context of globalization, production companies need to constantly break geographical restrictions, constantly adjust the allocation of resources, realize the rapid flow of production resources, specialize in the division of labor, and scale production, increase the profits of enterprises, and at the same time, aggravate enterprises, handle with Inter-competition.

The ASEAN regional economic integration organization plays a very important role in the process of economic globalization. The goal of regional economic integration is to increase production efficiency and achieve free flow and rational allocation of products, technology, services, investment, skilled labor and capital in the region. With it , Break down various trade barriers, strengthen the free flow of production factors through cooperation among member countries, achieve rapid flow of production resources, professional division of labor, and large-scale production, increase the profits of

enterprises, and promote the rapid development of productivity , increase the healthy competition of domestic enterprises.

This has made the ASEAN countries unprecedented opportunities for development, but it is different from the development of regional economic integration in the EU. Although ASEAN regional economic integration organizations have made common demands in the areas of investment and trade, and even in the monetary and fiscal policy fields of the member countries; However, it does not mean that the integration organization is the same. It has both consistency and significant differences in the EU organization. The ASEAN member countries still have environmental differences. Under the complex and ever-changing international environment, the development process and its development model of small and medium-sized enterprises, corporate strategic awareness and strategic choice have also undergone a gradual evolution. In today's society, the manufacturing and service industries have become important support for the economic and social development of ASEAN countries. And they have also developed rapidly in recent years. become an indispensable force for sustainable economic and social development and made prosperity. However, the monopoly of resources and the financial advantages of large companies have made it difficult for SMEs to survive, with a small profit margin and limited marketing channels, and they have not been able to achieve stable and long-term development.

1.2 Research Purposes and Meaning

In recent years, the contribution rate of SMEs to the development of the national economy has gradually increased. SMEs are a kind of ubiquitous enterprise group that plays an indispensable role in supporting the national economy in the process of technological progress and economic development. It is an important part of the socio-economic system and is the most active type of enterprise in the market economy system with development prospects.

Although SMEs do not have the advantage of scale, due to their small scale of capital and relatively few organizational levels, they can quickly respond to various changes in the market to meet people's diversified and individualized needs, carry out technological innovations, and increase overall social employment, quantity, expanding product sales, etc. In a word, it plays an irreplaceable role.

SMEs will soon face many difficulties that will seriously restrict the growth of enterprises. SMEs cannot obtain development and affect the sustainable and healthy development of the national economy. From the perspective of small and medium-sized enterprises, due to joining the ASEAN regional economic integration organization, the external environmental factors that companies face have begun to appear many new changes. How to explore the main influencing factors for the development of SMEs in the

context of ASEAN regional economic integration, corporate strategic choice and coordination, and the long-term development of the enterprise, has become the focus of renewed attention.

After the 20th century, the WTO as a platform for international trade has gradually declined, and regional economic integration has increasingly attracted the attention of various countries. However, the economic integration of ASEAN region is conducive to the rapid growth of the East Asian economy and even the world economy. In addition, the implementation of the Belt and Road Initiative has brought more opportunities and challenges for more ASEAN SMEs, how SMEs can seize the current business opportunities; actively adjust the organizational strategy, obtain more financing, and achieve rapid development.

1.3 Research Content

This paper uses a combination of theoretical research and data analysis to explore the key factors that affect the development of enterprises which based on the theory of enterprise development management. It analyzes the environmental characteristics of the regional economic integration in ASEAN and studies the complex and changeable integration of SMEs. The development strategy of the environment, with a view to discovering the main influencing factors, the formation of problems, strategic planning and adjustment of SMEs in the ASEAN regional integration environment.

The research involves foreign companies' development theories, especially the environmental factors of regional economic integration. Secondly, it bases on the existing research, combining the theory of enterprise development and related theories of ASEAN regional economic integration. This paper analyzes the internal environmental factors in ASEAN regional integration and looks for factors that influence the development decision-making and uniqueness of SMEs. Find out the main influencing factors and the basic factors for the development of SMEs' development strategy. Then combine the reality of the ASEAN free trade zone market to explore the long-term development of SMEs in ASEAN and formulate suitable SMEs development models and countermeasures.