

**DEVELOPMENT ANALYSIS REPORT OF THAI ENTERPRISES UNDER  
ASEAN ECONOMIC INTEGRATION  
(TAKE EXPORTING INDUSTRY AS AN EXAMPLE)**

**CHAPTER 1. INTRODUCTION**

**1.1 Research background and meaning**

**1.1.1 Topic background**

In recent years, Thailand's export industry has experienced a decline in export value due to the economic downturn. Therefore, it is necessary for Thailand to newly develop other potential markets to increase export value. Thailand and ASEAN countries are developing countries, and they are similar in terms of resources and natural conditions. Therefore, the degree of similarity in the export structure between Thailand and other ASEAN countries is relatively high, making Thailand and ASEAN other. There is fierce competition in the export trade between countries. Whether product export trade between Thailand and ASEAN countries can bring greater cooperation and development to itself. The Thai government should adopt a series of effective strategies to actively take action to expand its product exports and maintain its market share and competitiveness. And further make up for their own shortcomings.

Based on a careful analysis of the theory of international trade, the issues and developments in the import and export trade between Thailand and other countries in ASEAN, as well as the policies they implement, are empirically analyzed. In order to deepen the trade cooperation between Thailand and ASEAN countries, it put forward some policy recommendations.

**1.1.2 Research purposes and meaning**

In recent years, ASEAN has played a significant role in promoting Thailand's economic growth. Because Thailand's 60%-70% of GDP comes from foreign trade exports. The ASEAN countries are Thailand's largest trading partner and the largest export destination. In 2013, the trade volume between Thailand and ASEAN countries was US\$ 101.05 billion. The export trade volume was US\$ 5.931 trillion, accounting for 21.21% of its total foreign trade. ASEAN countries has become Thailand's largest export market surpass China, US, and Japan.

As a matter of fact, the completion of the ASEAN Economic Community in 2015 will not have a serious impact on the development of Thailand's industry in some extent. Since the economic crisis in Thailand in 1997, Thailand has reformed its industrial structure, which has greatly improved the productivity and competitiveness of SMEs. However, the reform of production structure and productivity of some large enterprises still lags behind, making Thai companies have certain gaps in the free circulation of commodities, production technology, service quality of enterprises, and the technical level

of workers. After these enterprises sign an agreement with the ASEAN economy, they will certainly have a certain impact on its long-term development. Therefore, it is necessary to analyze the status quo of Thai enterprise development from the perspective of ASEAN economic community in order to help getting a better discover the opportunities and challenges that Thai companies face after joining the ASEAN Economic Community , facing the advantages and disadvantages of Thai companies from the perspective of the ASEAN Economic Community, and presenting the benefits and suggestions of Thai companies joining the ASEAN Economic Community, to promote the adjustment of industrial structure and productivity of Thai companies and further expand Thailand's export trade so as to promote the overall economic growth in Thailand, This is the main purpose of this study. The studying of this topic has certain academic value and theoretical significance and it could use to make up the gaps in relative field, at the same time, there's a certain positive significance for Thai enterprises to integrate into regional economic integration and to go international.

## **1.2 Related literature review**

### **1.2.1 Description of regional economic integration**

In the wave of economic globalization and regionalization, the economies of ASEAN countries have developed rapidly and the process of regional economic integration has been accelerating. The economic integration of the region has undergone a series of structural changes. At present, ASEAN has become an important force in global regional economic integration. Multi-level regional integration with ASEAN as the core is gradually advancing, and ASEAN plays a leading role in the process of regional integration. This regional economic integration is facing the balance of power between major powers. Restructuring challenges.

Liu (2012) commented on ASEAN economic integration in the "Saga Economic Research" that ASEAN economic integration will continue to strengthen the relationship between Southeast Asian economies and China. Because this is a good opportunity for Chinese businessmen to go out. However, the factors that make ASEAN economic integration successful not only extend to ASEAN+3, ASEAN+6, or TPP, but also depend on narrowing the economic gap between rich and poor countries. The integration of markets and production bases also strengthens the sense of identity and unity of the ASEAN community. Michael (2014) used the econometric model in the <ASEAN Economic Growth after China-ASEAN Economic Cooperation and East Asian Financial Crisis> to discuss the research results of China and ASEAN economic communities. It was found that exports and net capital have been imported from abroad, especially China has become a key factor in ASEAN economic growth. In addition, it is still found that ASEAN countries all benefit from economic cooperation with China. Only different levels of development will result in unequal returns in investment opportunities, resulting in different levels of GDP growth.

## (1) ASEAN Becomes an Important Force in Global Regional Economic Integration

After the war, ASEAN has always been a hot area of world economic growth. From the mid-1980s to the outbreak of the Asian financial crisis in 1997, the ASEAN countries showed a sustained and rapid economic growth. The Asian financial crisis interrupted the process of sustained high-speed growth of the ASEAN economy. Since then, the economy has experienced rapid fluctuations, and regional economic integration has stagnated. After 2002, the ASEAN countries gradually recovered their economies, stepped out of the financial crisis, and made new progress in regional economic integration.

In recent years, ASEAN countries have seen rapid economic growth and accelerated regional economic integration. ASEAN's economic status in the Asia-Pacific region has continued to increase. According to statistics, in 1996 ASEAN's gross domestic product was US\$725.47 billion, and in 1998 it was reduced to US\$472.62 billion. In 2004, US\$796.48 billion exceeded the level before the financial crisis. In 2006, ASEAN's GDP exceeded US\$1 trillion in 2008. It reached 1.5 trillion US dollars, and more than 2 trillion US dollars in 2011. In 2012, Ten ASEAN countries had a population of 4.436 billion square kilometers and a population of 600 million people. With a GDP of 3 trillion US dollars and an import and export trade of about 2.4 trillion U.S. dollars, it is the third largest country and region in the world and the Asia Pacific region (after China and India) and the fifth largest in the world (behind only The European Union, the United States, China, and Japan) and the fourth largest economy in the Asia Pacific region and the second largest economy in the developing world (second only to China and more than Brazil) are the fourth largest in the world (after the United States, China, and Germany). And Asia Pacific's third largest import and export trade area.

In 2014, foreign direct investment (FDI) flows absorbed by ASEAN exceeded US\$100 billion for the first time, reaching US\$108.997 billion and US\$111.924 billion in 2012, becoming one of the major countries and regions for developing countries to absorb foreign direct investment. The important node of the regional production network, ASEAN is also the world's largest integrated circuit and electronic component, the second largest office automation equipment and communication equipment in the Asia Pacific region, and the important export bases for chemicals, automobiles, medicine, textiles, and garments in the region.

## (2) ASEAN emphasizes the diversity and openness of regional integration

Unlike previous forms of trade liberalization in the region, ASEAN's regional integration form has broader and more diverse goals and content. In addition to the liberalization of trade in goods, service trade, investment liberalization and other economic cooperation have become important aspects. At the same time, ASEAN

emphasizes the openness of regional economic integration. It breaks through the restrictions of regions and distances, and the asymmetry of the two sides of the agreement emphasizes that it is in line with WTO rules and goes beyond the scope of WTO in terms of content. Among the three types of regionalization of ASEAN, the areas covered by the ASEAN Free Trade Area have expanded from commodity trade to service trade, investment, and other areas of economic cooperation. The construction of China, Japan, India, Australia, New Zealand and ASEAN Free Trade Area has also surpassed. The goal of trade liberalization alone, service trade, investment liberalization and other economic cooperation have become important contents.

The bilateral free trade agreement between Singapore and Japan is the first bilateral free trade agreement in East Asia. The two countries have promised to open more than the agreement between the member states of the World Trade Organization. According to the agreement, the products that can enjoy tax exemptions account for 98.5% of the current bilateral trade between New Zealand and Japan, while the World Trade Organization agreement requires only about 65% coverage; and Singapore and Japan promise 100% duty-free products and 92.1% respectively. The percentage of duty-free products promised by the two countries under the World Trade Organization Agreement was 70% and 34% respectively. The two countries' commitments in opening up service trade far exceed the provisions of the World Trade Organization agreement. New and Japan commitments are open respectively. 5% and 86% of the service sector; the agreement includes not only trade in traditional goods and services but also intellectual property, financial services, communications, marine transportation, science and technology, human resources development, tourism, medical services, and education services. Wait. In addition, the ASEAN Negotiations on the Regional Comprehensive Economic Partnership Agreement (RECP) will also cover such broad areas as trade in goods, trade in services, investment, and economic and technological cooperation. The agreement will also establish open access clauses and other Partners can apply to join the agreement.

### **1.2.2 ASEAN plays a leading role in regional integration**

In today's world, economic integration in the Asia-Pacific region is undoubtedly one of the most complex areas in the international regional economic integration. Although the degree of economic dependence in the Asia-Pacific region continues to increase, regional economic integration with institutional arrangements is difficult to form in the short term. Facing the new wave of economic integration in the Asia-Pacific region, especially the negotiations on the Trans-Pacific Partnership (TPP), China-Korea Free Trade Agreement, and China-Japan-Korea Free Trade Agreement, ASEAN has realized that it must speed up ASEAN-led development. The pace of regional economic integration.

In November 2011, ASEAN launched the "ASEAN Regional Comprehensive Economic Partnership Framework" (RCEP) to establish a regional comprehensive economic partnership agreement with ASEAN as the leading partner and free trade agreement. In the new wave of Asia-Pacific regionalization, The U.S.-led Trans-Pacific Partnership Agreement (TPP) and the ASEAN-centered Regional Comprehensive Economic Partnership Agreement (RCEP) are the most important form of regional integration negotiations in the region. The ASEAN leaders believe that the two agreements will not mutually exclude each other and will help promote the process of trade liberalization in the Asia Pacific region and will become a parallel path to the Asia Pacific Free Trade Area (FTAAP). Compared with TPP, RCEP covers 16 countries. Its focus is on integrating the existing 5 "10 + 1" free trade zone agreements. The negotiation involves areas such as goods trade, service trade, investment, and economic and technical cooperation to achieve a comprehensive, high-quality, reciprocal regional free trade zone agreements; and TPP includes 11 countries, the focus of which is the development of standards and rules, negotiating trade, trade in services, investment, agriculture, labor, environment, government procurement, intellectual property protection, etc. The field seeks to establish a high standard, all-round free trade zone.

### **1.3 Research ideas and methods**

#### **1.3.1 Thesis ideas**

Hooshang and Bchcshti (2004), an American accounting expert, first proposed the active cost management method for the source company's operation process in the country, and the hydro-power company tried it.

Based on the theory of regional economic cooperation and the theory of business management and management, this article analyzes the development of the ASEAN Economic Community and the current situation of the management of Thai companies, and studies the opportunities and challenges of Thai enterprises joining the ASEAN Economic Community, and points out European countries. The advanced experience of enterprises joining the European Economic Community and worthy of reference for Thai companies provides suggestions for the development of Thai enterprises joining the ASEAN Economic Community.

#### **1.3.2 The main research framework**

The paper is divided into five chapters. The first chapter is the introduction part. It mainly expounds the background of the writing, the topics selected and the significance of the research. It also analyzes the research summaries related to this topic, introduces the writing ideas and research methods of the thesis, and points out the innovative points of the thesis. The second part analyzes the theory related to this topic and paves the way for the later research. Including the theory of regional economic cooperation, business management theory and corporate development strategy theory; the third chapter analyzes the status quo of Thailand's business management, points out the basic situation of Thai

business management, and analyzes its existing advantages and disadvantages. And in the course of development, there are a series of problems; Chapter IV uses SWOT analysis to analyze the opportunities and challenges for Thai companies to join the ASEAN Economic Community; Chapter 5 discusses the development status of the European Economic Community and European countries' companies joining the European Economic Community. The analysis was carried out to explore what can be learned from Thailand's enterprises' participation in the ASEAN Economic Community. Finally, the conclusion of the dissertation summarizes the viewpoints of the entire dissertation, and presents the development strategies and recommendations of Thai enterprises joining the ASEAN Economic Community.

### **1.3.3 Research methods**

The paper mainly uses several research methods:

1. Theoretical analysis. We use theoretical analysis to analyze the theory of regional economic cooperation and enterprise management theory. Through theoretical research, we provide a theoretical basis for in-depth analysis of later articles.

2. Case demonstration method. We have used a large number of case demonstration methods to analyze the status quo of the development of Thai companies, as well as the problems and shortcomings in the development process.

3. SWOT analysis. This paper uses SWOT analysis to analyze the internal advantages and disadvantages of Thai companies in the management and management; and points out the external opportunities and challenges that Thai companies have in joining the ASEAN Economic Community.

4. Case analysis method. This article uses the case analysis method to analyze the successful experiences of European countries joining the European Economic Community and draws inspiration and lessons from it.

### **1.4 Innovations and Inadequacies in this paper.**

The main innovations of this article are based on EU countries, analyzing the successful experience of European companies in joining the European Economic Community and drawing lessons from the participation of Thai companies in the ASEAN Economic Community. This has not been seen in the previous studies. . Therefore, it is an innovation point of this article to propose the countermeasures and suggestions for Thai enterprises to join the ASEAN Economic Community through analysis of this perspective.

The main Inadequacies of this paper is the analysis of Thai enterprises' reference to

European countries' enterprises joining the European Economic Community because the lack of relevant information and the lack of theoretical basis in the writing process lead to the analysis of this part of the article is only logical for me. reasoning. Moreover, due to the current regional economic development situation and the ever-changing international social situation, it is still difficult for the author to carry out systematic analysis on this issue. Due to my limited level and limited access to data, this article lacks an empirical analysis of economic integration. This is an inadequacy of this article, and it is also a problem to be further solved in future research.