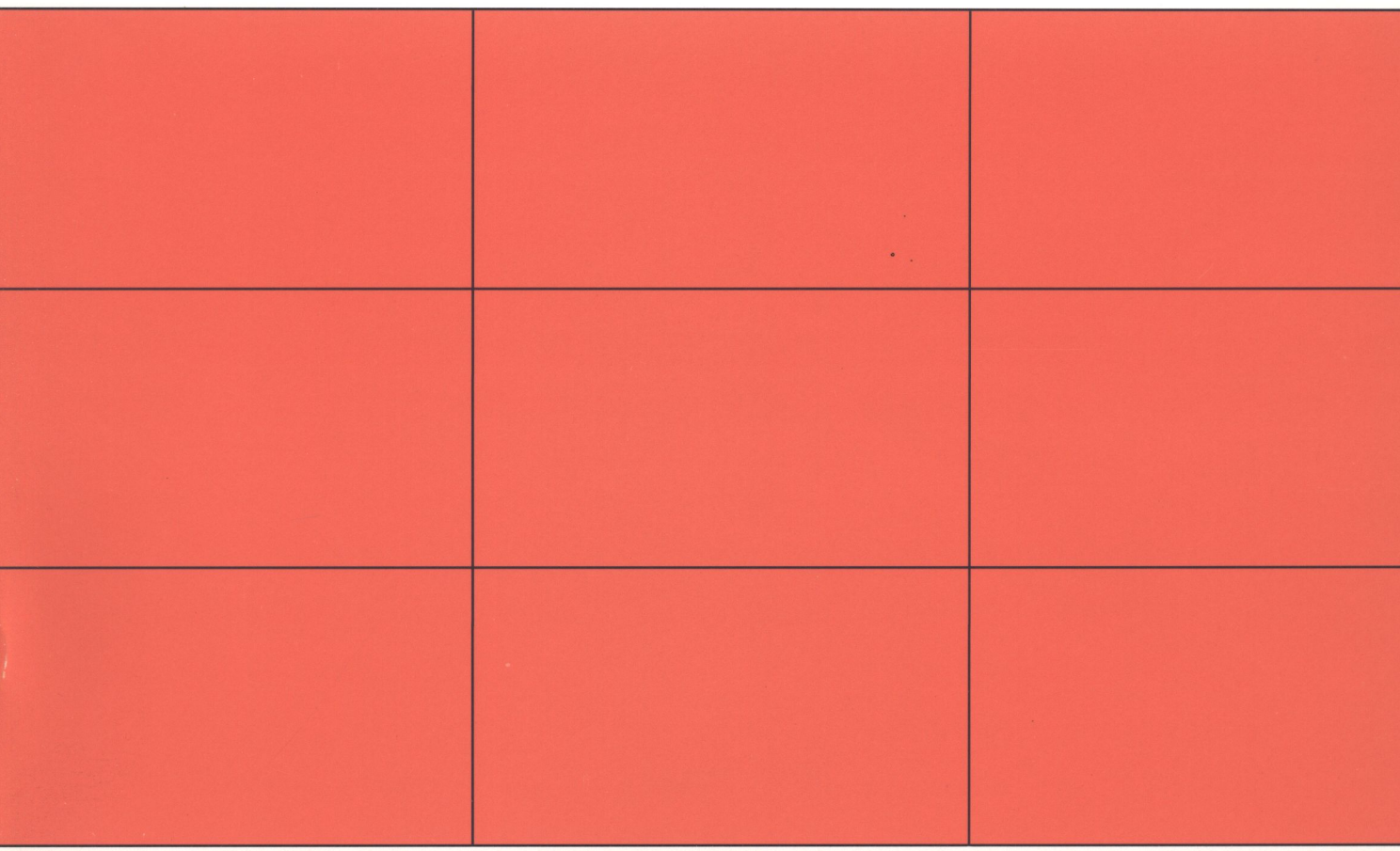
The Joint Study on Thai-Japan Economic Conflicts



THE JOINT STUDY
ON
THAI-JAPAN ECONOMIC CONFLICTS

BETWEEN

INTERNATIONAL DEVELOPMENT CENTER OF JAPAN

AND

THAILAND DEVELOPMENT RESEARCH INSTITUTE

APRIL 1986

Foreword

This report describes the results of joint research on economic relations between Thailand and Japan carried out by the International Development Center of Japan (IDCJ) and the Thailand Development Research Institute (TDRI). This joint research is mostly indebted to advices of the Economic Planning Agency, Government of Japan.

In recent years, ASEAN and Japan have become increasingly close and interdependent. Under the worldwide recession which has prevailed since 1980, ASEAN-Japan relationships are becoming more and more important to the world economy. The closer the relationship, however, the more obvious the economic problems arising between ASEAN and Japan, hence the current economic friction.

In order to understand the nature of these problems fully, and to explore possible solutions, the "think tank" can play a very important role. It is very significant that two leading think tanks, IDCJ from Japan and TDRI from Thailand, worked together on this joint research project in cooperation with the Economic Planning Agency of Japan. They are both specialized in policy-oriented research for development.

This report consists of Part I prepared by IDCJ and Part II prepared by TDRI. The IDCJ report (in Japanese language) summarizes the contents of a report prepared under

the contract with the Economic Planning Agency in FY 1985, and especially emphasizes the Thailand-Japan relationship. It examines the relationship, from the various aspects of trade, direct investment and economic cooperation, identifies major problems therein and proposes policies to solve these problems. The TDRI report focuses on the export performance of Thailand, and analyzes trade-related problems and export industry promotion in Thailand.

The experts who were engaged in this study are as follows:

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This joint study proved useful to identifying key issues in improving Thailand-Japan economic relations. It is sincerely hoped that such joint studies may be continued in the future.

April 1986

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PART I

I. Purposes and Meanings

The purpose of this joint study is to make a wide-ranging review in terms both macro- and micro-economics, of the present economic frictions between the member countries of the Association of South East Asia Nations (ASEAN) and Japan, to study the structural causes of the problems involved, and to seek ways of improving the situation and solutions to the problems, especially in view of the recent worsening of this conflict.

The ASEAN countries[a)] have maintained an exceptionally high economic growth during the stagnation of the world economy after the second oil crisis. However, their economic growth has gradually trailed off since the end of 1984. In the history of the economic progress of the ASEAN countries since World War II, the first half of the 1980s was one of the most crucial periods during which time they were attempting to achieve a massive growth as their industrialization and economic development were set firmly on course. At present, the ASEAN countries stand at a turning-point, which will determine whether this delay in economic growth is merely a passing phase or a long-term recession. The lagging development of ASEAN countries is not only unfortunate for them, but is also large obstacle to the harmonious development of the world economy. It is also

a) Note: Indonesia, the Philippines, Thailand, Malaysia and Singapore are generally referred to as the "ASEAN countries" in this report.

undesirable for Japan which cannot help but deepen its interdependence with ASEAN countries, both in political and economic terms. There are many different and complicated factors causing this lag and hindrance to the economic development of ASEAN countries. In fact, it has been claimed by ASEAN countries that the recent stagnant growth of their economies and also the still-existing differences in economic power between advanced countries and ASEAN countries, are due to the structure and organization of the world economy, which is set up so as to work for the interests of advanced countries and protect their economies. ASEAN countries claim that, as a result, trade imbalances, accumulated debts, a slowdown in positive investment and delays in technology transfer have occurred; thus the ASEAN countries are now facing an economic crisis. This series of claims, which have been specifically directed at Japan and other advanced countries, is generally known as "economic friction".

Trade friction between advanced countries, and economic friction between advanced and developing countries, are clearly different in two respects. Firstly, in case of the latter, there are differences in the process of economic development and the economic structure between the two groups, and the need for economic progress in the developing countries is a well-understood but tacit assumption. Therefore, these issues are actively raised only on the side

of the developing countries. Thus, friction tends to expand from simple trade friction to problems of direct investment, economic cooperation and anything else related to economic development.

Secondly, in the case of friction between advanced and developing countries, there are large economic power differentials between the two groups, and it should be pointed out that what may be only a marginal problem for an advanced country could be a life-and-death issue for developing country.

Recently, all ASEAN countries except for Indonesia have been suffering from inequalities in the visible and invisible balance of payments with Japan. Large net deficits have been registered in some of the countries, despite surpluses against other countries throughout the world, due to larger trade deficits with Japan. Because of this, market opening demands directed towards Japan have become stronger, regarding areas such as tariff reduction, abolishment of import quotas and non-tariff barriers, and improvements in the general preferential tariffs.

Japan has made efforts to meet these demands through a series of market-opening measures and related action plans. Nevertheless, the demands made by ASEAN countries to Japan are becoming more and more specific, cutting to the core of Japan's foreign policy and domestic system. On the other

hand, however, the surrounding countries appear to have begun to understand the structural features of Japanese politics and government administration, and, what is more, Japan's response pattern to external pressure of gradual and invisible relaxation.

In connection with Japan's direct foreign investments, the demands of ASEAN countries to Japan are also apparently causing friction again. Since the start of 1980s, Japanese direct investment in ASEAN countries has been cooling off. This is substantially due to changes in capital import policies and the unbalanced industrial structures of the ASEAN countries which could be potential capital-importing partners. However, ASEAN countries point out that there have been swings in Japan's direct overseas investment in the past. Recently, their demands have been gradually becoming more serious, highlighting the lack of coordination between Japanese direct foreign investment and the export promotion efforts of recipient countries.

In recent years, increased demands for and complaints about technology transfer have been raised in various ways, relating to fields such as direct foreign investment, machinery and materials export, plant export and economic cooperation, causing new frictions between Japan and ASEAN countries. Japan has been diligently tackling the problem of technology transfer both on a private and government

basis. Neverthless, this has been neither properly appreciated nor deemed satisfactory in the international community, because of the differences in the basic concept of technology transfer as understood by the two parties. However, the recent patterns of Japanese negotiations with individual ASEAN countries on technology transfer and transfer implementation show that mutual understanding and confidence are being gradually brought about.

Japanese-ASEAN economic friction has begun to grow in the form of competition in world markets, as ASEAN countries have developed their industrial product export capabilities through the 1980s. It was a basic assumption of all countries in the past that competition of this nature should be left free. Currently, however, developing countries have been strongly urging planned adjustments in terms of market opening by advanced countries. Such demands have further escalated to the stage of forcing so-called industrial adjustments, leading to deliberate reductions in the industrial activities of advanced countries. It is against this background of frequently occurring demands and frictions that Japan will in the future have to establish and maintain friendship and interdependence with all other nations. For this purpose, Japan should monitor process of economic friction and have clear insight into its causes. Based on this, Japan should examine the validity of the demands of partner countries together with its past and pre-

sent countermeasures; further, for the future, Japan should identify what is to be done on the part of Japan and the partner countries. Accordingly, Japan should minimize pressing friction, and present a long-term perspective of managing economic friction in order to encourage partner countries to have common understanding on the issues.

In view of all the above, this study is aimed at probing the present position and the causes of economic friction between Japan and ASEAN countries, especially Thailand, and suggesting possible solutions to the friction.

II. Basic Principles of Japan-ASEAN Relations

In this study, the present status, cause of and countermeasures against economic friction between Japan and ASEAN countries are analyzed, based on the following reasoning. In Japan-ASEAN relations, particularly with respect to countermeasures against friction problems, Japan is liable to be reluctant to take measures in response to complaints and criticisms of Japan by ASEAN countries. However, this is not always due to a lack of give-and-take or poor understanding of the other country's position on the part of Japan. In reality, despite Japanese good faith and a spirit of give-and-take, it is not at all easy to change domestic and foreign economic structures which have formed over the course of very many years. A short-term countermeasure may not lead to a radical solution of the problem. Furthermore, there are also problems which cannot be solved by Japan and the trading partner alone. In order not to lose sight of the fundamental nature of these problems, it is necessary to review the five basic principles outlined below as basic reference points for both Japan and ASEAN countries.

(1) The period from the last half of the 1980s through the 1990s will be an important and historical epoch, determining the success or failure of economic development in ASEAN countries. During this period, ASEAN

countries' own self-generated efforts and the resolution of economic friction by Japan and other friendly advanced countries will be crucial in determining the success or failure of the future development of ASEAN countries.

During the period from 1984 to 1986, confronted with a recession in the world economy, protectionism in developed countries and global changes in the structure of technology and demand, the ASEAN countries have encountered a temporary phase of stagnant growth. Now, they stand at a turning point, which will decide whether they can achieve further rapid progress, overcoming this difficulty and returning to the paths of national development and economic growth which have been established, despite many twists and turns, since the 1960s. Therefore, during the particular period, the selfsupporting efforts of ASEAN countries and multilateral cooperation of the friendly surrounding nations will be most important. Japan's cooperation especially, will be of great assistance. In conclusion, it will be an urgent and essential task to resolve a series of economic frictions between Japan and ASEAN countries.

(2) Economic development in ASEAN countries can be achieved only if the world economy and the Asian-Pacific regional economy are developed harmoniously.

Whether the ASEAN countries can succeed in developing their economy in this period is not only the problem of ASEAN countries themselves. They will not be able to develop their economy without the expansion and promotion of interdependent relations between the community of Asian and Pacific nations and the major trading nations in the world. At the very least, Asian and Pacific countries should aim to deepen their interdependence relations by mutually producing and consuming each other's goods, thus creating wealth, and they should not lose sight of this objective.

The majority of the difficulties confronting ASEAN countries have been brought about by the reduced expansion of world markets, and sometimes even partial market reductions. Therefore, the economic difficulties and friction experienced by ASEAN countries can be considerably eased by a resumption of economic expansion in each area and country of the world. It should be remembered that the global economy must be expanded for thorough resolution of economic friction.

(3) Japan-ASEAN economic friction can be resolved by self-supporting efforts in the ASEAN area with the cooperation of Japan.

Basically, the economic difficulties and external frictions facing ASEAN countries cannot be settled unless their own economy moves into a development phase. However, there are a number of hindrances to the self-generated economic development of ASEAN countries, which can be divided into two major factor groups. One is a group of factors including worldwide recession, protectionism in developed countries, the exceptional abnormal trade surplus on the side of Japan, structural changes in primary product markets and stagnant direct investment by foreign countries. The other is a group of factors such as shortage of capital, human resources and technologies in ASEAN countries, lack of proper legislation to support their industrialization, and their present under-developed position.

The external hindrances cannot be resolved by economic cooperation and market opening by any one particular nation. As mentioned above, resolution will be possible only when the world economy has regained structural harmony across the whole system, and global expansion has become a reality. However, from the micro-economic viewpoint, there is still plenty of room

for the cooperation of Japan and other advanced countries in solving present problems. Japan, especially, should continue positive cooperation with ASEAN countries in three aspects: firstly, Japanese market opening for primary industrial products; secondly, direct investment, indirect investment, technology transfer and staff training; and thirdly, economic cooperation which balances in capital and technical aid.

(4) For resolution of Japan-ASEAN economic friction, improvement of the economic and industrial structures of both parties on a long-term basis will be necessary.

In taking measures to settle the economic friction between Japan and ASEAN countries, even when thinking about present short-term countermeasures, the long-term view and considerations are necessary. Friction-resolving measures presently adopted must not cause a loss of competitive power for the future industry of ASEAN countries, or the formation of a non-competitive industrial structure in Japan. Measures of this nature are apt to be temporary measures imposing restrictions and complexities on the operation of free competition principles, or compromise measures in response to external pressures from major world powers. Behind the Japan-ASEAN economic friction, there is a history on

each side of protectionist and growth policies, which were adopted in the past in order to develop industry and promote exports, and an inflexibility accompanied by various kinds of vested interests has evolved in the course of time. Due to this, internal political pressures often emerge to reject various measures for resolving friction or measures for long-term industrial growth. This inflexibility must be overcome before undertaking measures to settle friction based on the long-term view.

(5) For the settlement of Japan-ASEAN economic friction, political leadership and national understanding will be necessary on both sides.

Improvement measures necessary for settlement of Japan-ASEAN economic friction and to contribute to the harmonious expansion of the Asian and Pacific regions, as well as the long-term economic development of ASEAN countries, are a political process within and between the countries concerned, although they are economic problems. Accordingly, any measure, such as market opening, industrial policy or industrial adjustment, requires firm political leadership and national public support.

In the past, both Japan and ASEAN countries have been lacking in such leadership and national understanding.

However, fortunately, new trends can now be perceived in both sides. Since the start of the 1980s, the Japanese government has been continuing active efforts to open up markets, while national support for this policy has been rapidly strengthening. The frequency of decisions taken in favor of the general interest rather than partisan interests has been increasing, although the pace is still very slow. On the other hand, ASEAN countries have developed a better recognition of the fact that rational internal adjustment and domestic agreement on problems are necessary before presenting demands to Japan, while far-sighted leaders are emerging with broad political influence, who understand the circumstances in Japan and are willing to pursue calm negotiations. The solution of the problems of both Japan and the ASEAN countries is shifting in emphasis, away from exchanging rigid and formal diplomatic protests and critiques, and towards realistic talks founded on mutual understanding. This shows that a ray of light has been shed on future efforts to make real progress towards resolution of the economic friction between Japan and ASEAN countries.

III. Summary of the Results of Analysis

1. Emphasis of analysis

This analysis tackles the problem of economic friction in the three main areas of trading, direct investment and economic cooperation within the process of economic development and progressive industrialization of ASEAN countries. On many occasions, short-term and microeconomic measures are applied to economic friction problems, and analysis is often lacking as to the background of individual problems, influences on the economy as a whole and the position of the problems within long-term trends. Therefore, we have laid stress especially on quantitative analysis based on data and statistics, putting increased emphasis on understanding the problems in terms of numerical data.

2. Japan-ASEAN economic friction

The performance of ASEAN countries in terms of economic growth was firstly reviewed. During the 1970s, ASEAN countries recorded a higher growth rate than in the 1960s, despite the first oil crisis during the first half of the 1970s, and the countries came to be known as a center of world growth like Japan and the semi-industrialized Asian countries. However, entering the 1980s, they were strongly

affected by the global economic slowdown, and experienced a rapid easing off in economic growth. Financial deficits have occurred due to positive development plans as part of financial policy, and export stagnation due to worldwide recession has lead to a deterioration in the balance of payments, while accumulated external debts have been brought up as a subject for discussion.

In the structure of the balance of payments of ASEAN countries, in general, increasing deficits in the current account are covered by the capital balance. Since the end of the 1970s, a marked deterioration has occurred in the visible and invisible trade balances. The breakdown of the trade balance shows that industrial products based around non-durable consumer goods, and labor-intensive intermediate goods have increased their export market. However, except for Singapore, primary industrial products still maintain a large share of exports. Meanwhile, the imports of capital goods and capital-intensive intermediate goods have sharply increased with development of industrialization. Among all suppliers, Japan is ranked first, followed by the United States. Generally, it is assumed that trade balance improvements progress along the course from non-durable products to capital products, and it seems that the trade balances of ASEAN countries with the whole world, as well as with the United States and the EC countries, are improving, more or less along the aforementioned course. Nevertheless, their

trade balances with Japan can be clearly observed to be falling behind. At the same time, it has been clarified that their economy is so structured as to encourage increased imports of capital goods and capital-intensive intermediate goods from Japan.

As to direct investment in ASEAN countries, general trends since the 1970s indicate a decrease in the share of the United States, while more Japanese enterprises became active in ASEAN countries, sometimes causing problems of too powerful a presence. Investment-receiving countries tend to place emphasis on attracting export industries, and they adopt a selective policy for receiving investments. Another point of concern is that enterprises of developed countries have been placing more importance on selecting advanced countries rather than developing countries in their direct overseas investments. Therefore, it is safe to say that the time is ripe for ASEAN countries to review incentives to attract investment exports.

Regarding economic cooperation with ASEAN countries, the relative contribution of Japan has reached a very high level with respect to every ASEAN country. This contrasts strongly with the economic cooperation efforts of the United States and the EC countries, which were relegated to an almost marginal position with respect to ASEAN countries. ASEAN countries have raised their expectations of economic

cooperation from others, as local economic conditions worsen. This will lead them to expect Japan to expand and improve its economic cooperation both in quantity and quality.

With reference to the demands of ASEAN countries and Japanese countermeasures, Table A is presented to summarize the contents of our analysis. As for the general short-term countermeasures taken by Japan, the following points are considered to be problems. On the side of ASEAN countries, firstly, in some instances it is not very clear whether their demands should be presented to both governments for consultation, or should be settled at the level of private enterprises. Secondly, ASEAN government policies for developing their countries and promoting domestic products, as well as incentives to be provided for the direct investment enterprises, are sometimes not well balanced. On the side of Japan, it is considered necessary to improve the system for speedy problem solution, so as to correct Japan's slow response time, which is occasionally the subject of complaint by ASEAN countries. When it is difficult for Japan to make a quick response due to certain reasons, efforts should be made to give an explanation of such reasons more satisfactorily than in the past.

3. Japan-Thailand economic relations and export industry

Firstly we reviewed the Thai government's industrialization policy, which shifted from an importsubstitution industrialization policy begun in the 1960s to an import-oriented industrialization policy after 1972. The manufacturing industry's share of gross domestic product steadily rose to reach up to 21.2% (estimated) in 1984. Among all industries, the contribution of the manufacturing industry to the gross domestic product amounted to 23.1% during the period from 1980 to 1984. Reviewing the manufacturing industries sector by sector, the textile industry has played a major role since 1960, and its contribution ratio to economic growth surpassed the sectors of clothing and transportation machinery in the 1970s. In view of movements in export ratio and level of import dependence by industrial sector, it is observable that import substitution has been completed in the area of light industrial products, and is now entering the areas of capital goods and capital-intensive intermediate products. Next, a detailed study of foreign trade was made using data on imports and exports by item and destination at certain time intervals. Food and animal products (Category "O" under SITC) have maintained a 40% to 60% share of Thailand's exports while the export of light industrial products, including mainly textiles and clothing has rapidly increased since the 1960s, as observed in the study. Regarding Thailand's imports, it is evident

from the study that, against a definite increase in the export of mineral fuel due to the two oil crises, the industrial structure has made remarkable changes, further sparking off the import of intermediate and capital goods, as industrialization has progressed; all of which has been the biggest cause of Thailand's deficits. As to Thailand's exports to Japan, the study revealed that exports are limited to specific items only, and diversification has as yet advanced relatively little. Particularly in the export of sundry goods, mostly clothing, Japan's share is small. Regarding the imports from Japan, machinery accounts for a large share, equivalent to 48.9% of Thailand's total machinery imports.

The basic position of the White Paper is to solve problems by the establishment of concrete targets at government level, while the "Opinions on the White Paper on Thailand-Japan Economic Relations Structural Adjustment (hereinafter referred to as the 'Opinions and White Paper')" stand against the White Paper for the reason that the latter would have a negative effect on the activities of private enterprise. Our view is that trade imbalance is fundamentally a problem of industrial structure, and that the most serious problem is how to promote import substitution for capital goods and intermediate products. In the area of Thailand's access to the Japanese markets, the problem is considered to lie in the non-tariff barriers, including the

distribution system, rather than in tariff barriers; while the approach of Thai private enterprise to the Japanese markets is not regarded as active enough. In connection with the trade balance, more thought should be given to investigating the potential of multinational settlements, in addition to bilateral settlements.

Japan's direct investment in Thailand was mainly concentrated in the sectors of foods and textiles in the first half of the 1970s, while investment soared in the sectors of textiles, chemicals and machinery in the second half of the 1970s. However, from the start of the 1980s, the share of Japan's direct investment in Thailand relative to that in all ASEAN countries has declined, substantially in the case of the chemicals and transportation machinery sectors.

According to the White Paper, the problems of Japan's direct investment are: (1) a low rate of local procurement of raw materials; (2) a low level of exports to Japan; and (3) poor transfer of management technology. The paper suggests that solving these problems would curtail trade deficits with Japan. On the other hand, the "Opinions" gives a positive evaluation of the progress of management technology transfer, stating that the major cause of the low rate of local raw material procurement lies in the underdevelopment of the sub-contract business. We are in agreement on the necessity of developing the sub-contract

industry. We also think it necessary to develop the intermediate and capital goods industries. We feel that the barriers to this development are: firstly, the market-size problem; secondly, the lack of incentives for small-to medium-scale businesses from Thailand's Board of Investments (BOI); thirdly, shortage of financing for small/medium businesses; and fourthly, the development policy of the Industry Promotion Bureau of the Ministry of Industry of the Thai government, which is too prejudiced in favor of micro- and small-scale businesses.

Concerning economic cooperation with Thailand, Japan's contribution has rapidly increased since the 1970s, and in fact accounted for 57.4% of the total (net) amount of Official Development Aid (ODA) that Thailand received from the United Nations in 1983 (48.8% in 1984). This accounts for almost 10% of the total (net) ODA that Japan extended to individual countries in 1983 (9.4% in 1984). From this, we might safely conclude that Japan and Thailand are very closely related in terms of economic cooperation.

Items to be improved are presented in the White Paper as follows: (1) selection of local consultants and building contractors employed in economic cooperation; (2) local procurement of materials and machinery; and (3) promotion of economic cooperation for expansion of production on a private basis. Regarding point (1) above, it is true that in

most cases the Japanese consultants and building contractors are in a leading position in Thailand, in terms of both economic grant aid and cooperation with consideration, owing to the present system, customary practice, or other reasons. However, participation opportunities for local enterprises have been increasing in the form of joint ventures or subcontracts. The Japanese government is increasingly orienting towards LDC-untied (less developing countries-untied) and global-untied aid. Although it is obviously a crucial condition that local consultants and building contractors should have the necessary proficiency in their work, in principle Japan should cooperate in using local enterprises. Item (2) above is related to the problem of how to finance the local costs, and it is considered desirable to promote the local procurement to the greatest possible extent. As to (3) above, two-step loans under Overseas Economic Cooperation Funds (OECF), bank loans from the Export-Import Bank of Japan and the Metal Processing Center under Japan International Cooperation Agency (JICA) have just been implemented for economic cooperation projects. It is essential for Japan to seek new forms of cooperation through Japan-Thai negotiations, while monitoring the progress and results of the projects mentioned above.

With an overview of changing Thai industrialization policy and related issues as described above, we made a

fairly detailed analysis of production-export trends by item for the products of major Thai export industries, and at the same time reviewed the Japanese import systems for these goods.

Firstly, we temporarily divided primary products and processed goods into three categories: (1) rice, maize, cassava and sugar; (2) rubber, shrimps, tin, precious stones; and (3) newly-exported primary products and export processed goods (fish, canned pineapple, frozen fish and chicken); these products were then reviewed. Items given in category (1) are typical agricultural export products, with a large share in world agricultural products market. However, some of these have dropped sharply in terms of volume, due to price movements in response to changes in world supply-demand structure. Although those items will continue to account for a majority share of Thailand's exports, there will not be so much room for rapid export expansion in the future. Category (2) includes a wide variety of goods. Some of them are suffering from a drastic decline in international competitivity, and generally cannot be expected to expand significantly. The export of items of category (3) underwent rapid growth in 1980s, including for example the export of boned chickens, as a good illustration of a success in meeting the tastes of the import market. However, each of the items still has so small a market share in general terms that constant market survey, product deve-

lopment and quality improvement will be required in order to expand exports. Japan's import policy presents problems for the items of category (3), more than for those of categories (1) and (2). This is probably because of the high customs duties imposed for the protection of Japan's very small food processing business. We believe that Japan will be required to undertake further liberalization in this area.

Textiles and integrated circuits (ICs) make up a large percentage of Thailand's exports of manufactured products excluding agricultural processed goods. The Thai-owned exterprises, mainly owned by low-class people, have shown rapid growth in the area of textile product exports, which could be expanded still further; however they are in danger of serious impact from the worldwide climate of protectionism. As to ICs, no details will be given here, because the global strategy of American semiconductor manufacturers is the major influence on IC exports. The export volumes of all other manufactured product exports are very small and therefore it is difficult to project which items may be included in the future in the group of major export products.

Incidently, it should be noted that the appreciating trend of the Yen since the autumn of 1985 is expected to be to some degree favourable to Thailand's exports to Japan, although there is as yet insufficient data to argue this point.

4. A case study of Japan-Thailand trade friction

In this chapter, we analyzed trade figures for: (1) natural rubber; (2) pineapples; (3) chicken; (4) textiles; and (5) automobiles, including examination of the institutions concerned, to look into the real causes of Japan-Thailand trade friction by going more deeply into the issue.

Natural rubber is a typical product, which Japan is not able to produce; Japan depends on supplies from Thailand and other nations.

In regard to this item, 56.1% of Thailand's total exports are to Japan, while 63.9% of Japan's total imports are from Thailand (both figures are for 1984, on the basis of weight). This shows an extremely close mutual dependence between Japan and Thailand. The quality control and the high material quality of natural rubber exported by Thailand have made remarkable progress, and the contribution to this progress of governmental and non-government cooperation extended by Japan during the course of improvement is to be highly appreciated. RSS3 and RSS4 are leading export natural rubbers of Thailand, refined to suit the needs of Japanese users. Furthermore, natural rubber and synthetic rubber have a complimentary relationship, in a sense, as in the production of radial tyres. Therefore, study on the

movements of world supply and demand and on the growth of the Japanese market will be necessary. Japan should be expected to study these points together with Thailand.

Pineapples are in export item which has rapidly expanded in recent years. This item is a typical example of a product affected by Japanese export policy and Japanese domestic industry protection, which are closely related to each other. Thus, it is going to be a problem for Japan how to strike a good balance between, on the one hand, domestic industry adjustment and on the other, consideration of those nations having trade deficits with Japan, and trade liberalization. Meanwhile, with the intention of improving the processing of export products, Thailand's government has prohibited the export of raw pineapples. The problem is that they do not well understand the diversified tastes of the Japanese market.

Chickens are an export item which has attracted the attention of the world, as a symbol of Japan-Thailand trade friction; from this case, the following lessons can be learned. Firstly, trade friction problems cannot always be resolved by slashing tariffs, and occasionally the government of Japan is required radically to improve trading conditions by removing the excessive industrial protection, which is mainly based on subsidies. In Japan, more efforts are necessary to make the trading partner understand that

adjustment of domestic industrial structure and conditions takes time. Secondly, there is a problem that tariff cutting in Japan rarely leads to a corresponding cut in the domestic retail price, and in the majority of cases, the difference in cost is entirely absorbed in the margins of importers.

The textile industry is considered to be one of the leading Thai industries, which has recently contributed greatly to the national exports and employment. In particular, the clothing industry is recognized as having entered the battlefield of full international competition. Thailand is expected to make more efforts to intensify its competitive powers in the three aspects: (1) prices; (2) commodity distribution and selling channels; and (3) quality. Within item (3) are included: design, finishing, promptness of delivery, speedy action to respond to additional orders when sales have been good, calm responses to complaints, and wrapping and packaging. Intensifying competitive power is the way to compete and content with companies from other countries, and Thai industries should fully realize that it is their country's own responsibility, at least in the earlier stages.

Lastly, the item of automobiles is a typical indicator of development achievement, although progressing at a slow pace, under the circumstances that industrialization and

import substitution policies are urged for Thailand itself. In order to develop the vehicle industry, positive evaluation should be performed of changes in the structure of comparative advantages on a ten-year basis. For example, in the case of vehicle production, the local manufacturing started from the phase of SKD (semi-complete knock-down), and then progressed to the phase of CKD (complete knock-down). Now, it is very important to progress to the next phase, combining licensed original designs with native Thai engineering talent.

IV. The Course of Japan-Thailand Economic Relations

1. Thailand's industrialization strategy

Japan and Thailand are moving towards establishing more friendly, closer relations of economic interdependence, and therefore friction must be minimized to encourage harmony in relations between the two countries.

In connection with the existing disharmony between Japan and Thailand, an opportunity for the foundation of a future economic cooperation presents itself in the form of participation in Thailand's positive implementation of its economic development plan, which may be brought to fruition through the cooperation of Japan. It is necessary for both countries to reconfirm that the basic policy of the 1972 Investment Encouragement Act and Fifth Economic and Social Development Plan (1982 - 1986) outlines an important and correct course as a basic direction for the economic development of Thailand. The following are the major objectives of Thailand's industrialization strategy.

(1) Structural improvement of specific industries: to increase the efficiency of industries and enhance their competitive edge in domestic and overseas markets through improvement of merchandize quality and reduction in production costs.

(2) Promotion of industrial exports: to accelerate investment in export industries by removing various barriers and by giving incentives for exports.

(3) Fostering of small industries, development of local industries and suitable geographical distribution of industries: to promote small industries as the foundation of Thailand's industrial development, and at the same to decentralize industries for the diversification of economic activity and the expansion of utilization of domestic resources.

(4) Promotion of industrial exployment: to create employment (particulary in export industry) and to encourage labor-intensive industries and technologies.

(5) Energy conservation: to encourage conservation of energy in industrial production, particularly of oil.

(6) Attraction of foreign capital: to utilize foreign capital to implement the industrial structure improvement program.

(7) Development of basic industries: to establish systems and strategies for the development of key basic industries.

2. Future problems

In addition to the economic development policy presented by Thailand, the following points will have to be considered in the future.

Although a number of new industries have been making active progress based on the government's past investment policy, Thailand still suffers from a low level of international competitiveness, with industrial structure dependent on imports of various materials and goods, including raw materials and capital goods. Accordingly the following two points will be critical problems:

(8) Development of energy resources

(9) Designing and promoting a secondary import - substitution policy, geared towards Thailand's own domestic production of intermediate and capital goods.

Meanwhile, as a result of the government's encouragement policy, in many instances, technology selection (especially, more capital-intensive technology selection) has lead to a rise in rates of machinery usage, and consequently the job-creation effect has not been as strong as expected, despite industrial development in the country. There is also another cause for this, namely, a shortage of skilled laborers. In future, labor-intensive industry and technology encouragement will be necessary, and for this

purpose, the following measure will be adopted, through improvement of the skills of Thailand's workforce at foreign-capitalized companies, as well as through technology transfer:

(10) Adjustment of advanced technology and employment absorption

The east coast development plan is a typical project designed to realize the aforementioned objectives. The plan is to exploit natural gas discovered in the Gulf of Siam, using it as a springboard to launch into a new industrial phase (intermediate and capital product import substitution); at the same time, the plan aims to have a decentralizing effect on industry. The eventual degree of success of the plan is considered to be a key factor in Thailand's industrialization. Accordingly, promoting industrialization, including development and use of energy resources, industrial decentralization, and development of basic and export industries, will form a major objective:

(11) Successful conclusion of the east coast industrial development plan

Furthermore, the industrialization and economic development of Thailand must be pursued under conditions harmonious economic relations between the economically expanding ASEAN countries and Japan. Since greater and

greater economic expansion of ASEAN countries is expected in the future, the following objective will be desired:

(12) Mutual cooperation for expansion of the market of ASEAN countries

3. Course of Japanese economic cooperation

The following represent the various ways in which Japan can help Thailand to attain its targets of economic development by its own efforts.

Firstly, through cooperation in the industrial development of the east coast area, Japan can help Thailand to develop resources and an extensive industrialized zone.

Secondly, making efforts to increase Thailand's access to the Japanese domestic market and also to liberalize the market, Japan can promote its importation of primary products and processed goods exported from Thailand. Furthermore, Japan can cooperate with Thailand to expand Thai exports in markets of third party nations other than Japan, allowing Thailand to occupy a part of Japan's export market when and where feasible.

Thirdly, to foster Thailand's competitiveness in industrial product exports, Japan can actively cooperate through direct investment and technology transfer.

Cooperation is required in the ways presented above, diminishing Thailand's trade imbalance.

Furthermore, it is also considered necessary for Japan to find ways of indirect cooperation in the trade expansion of ASEAN countries, through expansion and development of the ASEAN markets based on interdependence between Japan and ASEAN countries, so that a long-term friendly relationship between Japan and all ASEAN countries including Thailand may be fostered and developed.

V. Proposals

In view of the issues and analytical findings as outlined above, we have concluded that various measures are necessary for the reduction of friction. Although we are particularly concerned about improvement of the relations between Japan and Thailand in this report, it should be noted that many of the measures are applicable to the relations between Japan and ASEAN countries other than Thailand as well. The measures can be divided into the following four categories: (1) What is expected of the Government of Japan; (2) What is expected of Japanese domestic enterprises and overseas enterprises; (3) What is expected of the Government of Thailand; (4) What is expected of Thailand's industries.

(1) What is expected of the Government of Japan?

(a) Market opening:

Since trade imbalance is one of the most important causes of friction, continuous efforts should be made with regard to market opening. In the case of Thailand, measures will focus on the primary products and related processed products.

(b) Selective promotion of direct investment:

Where the economic benefits are evident, an enterprise may undertake direct investment in accordance with the free market mechanisms, and as far as this is concerned, there is no room for government involvement. However, when the direct investment is considered to be beneficial to the economic development of Thailand, such as business tie-ups between medium and small enterprises in Japan and Thailand, the Government of Japan may take selective aid and promote investment.

(c) Economic cooperation promotion and review:

Economic cooperation is desired to shift an emphasis from infrastructure to technology transfer and manpower development in the form of two-step loans and PAC consultancy, that is to say, a greater emphasis on development and promotion of medium and small enterprises and agriculture.

(2) What is expected of Japanese enterprises?

(a) Private cooperation in governmental market opening:

The cooperation of private enterprises is essential for the government's market-opening policy to be effective; a particular focus will be an easier access to the Japanese market for products from developing countries.

It should be especially emphasized that the majority of export products from developing countries including Thailand will not have a fatal impact on Japanese markets, even when complete market access is allowed to the developing countries.

(b) Active development of import potential:

Japan will help developing countries to promote their industries through active development of its own import potential.

(c) Diversification of trading partners:

Japan's enterprises are expected to cooperate in opening the import business to new countries, such as Thailand, in addition to former trading partners, as this will greatly advantage the new country.

(d) Review of the domestic distribution system:

Japan must realize that its domestic distribution system has been a major cause of trade friction, and therefore it is time to review the system. This will also be significant in improving the Japanese economic structure.

(e) Promotion of direct investment and local reinvestment:

It is desired that private enterprises attach more importance to their direct investment activities, in line with the selective promotion of direct investment by the government of Japan. It is also expected that reinvestment by Japan's enterprises within partner countries will contribute to the industrial development of the countries concerned.

(f) Promotion of better understanding of trading partners:

Although various institutions and organizations have done much to promote better understanding of trading partner countries, nevertheless lack of understanding is still a major cause of friction. In view of this, a greater effort is required to come to an understanding of trading partners.

(3) What is expected of the Government of Thailand?

(a) Implementation of the development program:

As previously mentioned, the economic development is one of the most important ways to eliminate the structural causes of economic friction. For this reason, the implementation of the development program is the primary expectation placed on the Thai government.

(b) Export promotion:

There are many things to be done by the government of Thailand, rather than the Japanese government, for the promotion of exports, in areas such as: the research and development of export markets; development of new products; improvement of quality control; technology development and transfer; and information services. The first point is the basis and foundation of all five areas, and thus most efforts are expected in study and development.

(c) Expansion of ASEAN markets:

Every possible effort should be made to expand ASEAN markets including a review of preferential tariffs in ASEAN countries, which are established

at lower rates than those for advanced countries for some items.

(d) Review of the import system and the direct investment receiving system:

The government of Thailand is expected to conduct more comprehensive reviews on their systems of imports and receiving direct investment, from the viewpoint of establishing an economic policy consistent with the overall development objectives. Also, in order to encourage direct investment from foreign countries, it is considered essential to maintain a favorable economic environment by maintaining the continuity of various related systems, and by improving the reception conditions for foreign enterprises, including the issue of visas.

(4) What is expected of Thailand's industries?

(a) More active approaches to the export market:

It is strongly desired that sales activities be intensified, through further study of markets in Japan and the world. In promoting exports, it is necessary to realize that, in view of the nature of the problems involved, the efforts of the private sector on the side of the exporting countries are most important.

(b) Tackling the issue of direct investment:

In order to promote technology transfer, the most effective method is undoubtedly to attract direct investment and to establish joint-ventures. More active efforts are desired in this area.

(c) Taking the long-term view of investment:

Since capital accumulation is the core of any industry, it is essential to maintain the practice of active reinvestment, while considering investment from the long-term viewpoint.

TABLE A ASEAN DEMANDS AND JAPAN'S RESPONSES

(1) Indonesia

Demands Made to Japan		Responses of Japan	Reactions to Japan's Response
Trade:			
. Tariff reduction	. Plywood	. Reduction in April 1987	
. Imports of Indonesian oil	. To maintain 15% share of the total oil imports of Japan	. Unavoidable share variation due to movements in price and demand	
. Cooperation on export promotion	. Non-petroleum products	. Improvement of the standard certification system	
. Improvement of preferential system		. Implementation of a new series of increases in preferential items and reduction in preferential tariff rates (Market opening measures allowed for 8 items of ASEAN interest, with a raise in import ceiling)	
. Dispatch of trade missions			
. Earlier start of primary product common funds			
Investment expansion:			
. Export-oriented industry		. Passed on to private organizations	
. Energy resources	. Capital participation in developing geothermal sources		
Technology transfer (technical cooperation):			
. Training of high-level engineers	. Wood engineering, biotechnology	. Japan-ASEAN Science and Technology Association is scheduled to open; this association will deal with the training demands.	
. Secondary crop expansion	. Production increases of beans and corn	. Moving towards a study based on the results of assessment and survey of rice production increase cooperation methods.	
. Medical cooperation	. Manpower development for paramedical staff and higher professional techniques	. Study in response to specific demands	
Economic cooperation and others:			
. Establishment of a trade center		. If officially requested, will study capital cooperation and technology cooperation	
. ODA expansion	. Increase of ODA on a real basis	. Continuous efforts to expand ODA	
. Polio raw vaccine production project		. Likely to sponsor study or prior survey group	
. Exchange of students and researchers studying abroad, and cooperation with materials and ...		. Likely to sponsor study on how to cooperate based on existing systems	
. Cooperation on small business promotion			
. Utilization of Indonesian enterprises	. Utilization of Indonesian consultants and construction companies for assistance projects	. Utilization of Indonesian enterprises as subcontractors (local procurement for 50% of free-construction)	

(2) Philippines

Demands Made to Japan		Responses of Japan	Reactions to Japan's Response
Trade:			
. Tariff reduction	. Bananas	. Improved from 17.5% (for Apr - Sept) to 12.5%, and 35.0% (for Jun - Mar) to 25.0%	
	. Plywood	. Cut in April 1987	
. Application of GSP	. Pineapples, coconut-oil, tobacco, etc.		
. Removal of import embargo	. Papaya, mango		
. Improvement of preferential system		. Implementation of a new series of increases in preferential items and reduction in preferential tariff rates (Market opening measures allowed for 8 items of ASEAN interest, with a raise in the import ceilings)	
. Curtailment of customs duty on re-export textile products	. Tax on the added value only where textiles were processed using cloth produced in Japan and re-exported to Japan		
. Dispatch of import missions			
Investment expansion:			
. Industry			
. Agriculture			
Technology transfer (technical cooperation):			
. Promotion of technology transfer and technical cooperation	. Leadership and understanding of Japan for popularization of science and technology.	. Moving towards cooperation and study on electronics computers, biotechnology and new materials.	
	. Cooperation for establishment of a labor safety center, vocational training study center, food and drug safety testing center (including economic cooperation on hardware).	. Moving to sponsor study on implementation of labor safety center in 1986. Moving to sponsor study on implementation of food and drug safety testing center after initial research. Likely to make a study on dispatching demand/background/research survey mission for vocational training center.	
. Cooperation on Institute of Tropical Medicine			
. Plant rehabilitation development research	. Cooperation on plant rehabilitation for electric power generation, paper and pulp manufacture.	. Positive adoption on official and private bases.	
. Design and control of products	. Technical cooperation, dispatch of specialists, and study on admitting trainees for furniture design and electronic part quality control.		

(2) Philippines

Demands Made to Japan		Responses of Japan	Reactions to Japan's Response
Economic cooperation and others:			
. ODA expansion	. Project credit and commodity credit under the 13th yen-credit system	. Appropriate cooperation in line with international cooperation policy, based on the findings of the government's inquiry commission dispatched during May 20 - 23.	
. Loans from Export-Import Bank of Japan	. Loans for plant rehabilitation	. If approved by IMF Council, appropriate cooperation in line with internal cooperation policy.	
. Export insurance	. More flexible acceptance of export insurance for the Philippines	. Moving toward study through observation of future repayment	
. Maintenance of medical equipment and instruments at local hospitals		. Moving towards study on the possibility of cooperation after official demand.	
. ASEAN version of the Caribbean Common market idea			

(3) Thailand

Demands Made to Japan		Responses of Japan	Reactions to Japan's Response
Trade:			
. Tariff reduction	. Boned chickens	. Current: 18% Revised: 14%	. Unsatisfied with the differential between boned chickens and others (demanding 10%, to start in 1987)
. Tariff reduction and IQ increase	. Canned pineapples and tapioca		
. Release of import embargo	. Papaya, mango, etc.		
. Expansion of imports	. Maize, sugar and rice		
. Market opening for other agricultural products	. Lifting of tariffs and non-tariff barriers	. Tariff reduction for about 150 items of agricultural product. Improvement of expansion of the preferential ceiling at a new round of trade negotiations.	
. Access improvement to Japan for industrial products	. Lifting of tariffs and non-tariff barriers	. Tariff reduction for about 1700 industrial products. Improvement of the standard certificate system.	
Investment expansion:			
. Export-oriented industries	. Relaxation and release of export control on joint-venture products		
. Processing of agricultural products			

(3) Thailand

Demands Made to Japan		Responses of Japan	Reactions to Japan's Response
Technology transfer (technical cooperation):			
. Promotion of technology transfer and technical cooperation	. Technology transfer for domestic production of engines to be used for small-sized pick-up trucks and motor cycles, and of tubes for television sets.	. Likely to study the possibility and forms of cooperation.	
	. Technical cooperation for quality improvement of maize (Control of aflatoxin)	. Study on dispatching in initial commission	
	. Alternative sterilization technology for raw fruit	. Study on dispatching research commission	
	. Transfer of export-knowhow of Japanese enterprises to Thai enterprises.	. Utilization of the Trade Training Center, and study on the new establishment of special courses in trade promotion at JICA (Japanese International Cooperation Agency) for trainees from each ASEAN country up to a total of 20.	
. Manpower development	. Promotion of technology transfer and appointment of Thai workers in joint ventures	. More placements for technical trainees	
	. Training of official trainees for improvement of educational and managerial abilities	. Will study if a detailed demand is presented.	
	. Training for Japanese language specialists	. Cooperation on a training system for trainees and research system for research workers from Thailand, to stay in Japan, for learning or study of Japanese language and culture.	
	. Favourable consideration for Ubon vocational training center	. Moving toward sponsoring study on the possibility of cooperation	
Economic cooperation and others:			
. Projects	. Elevated railways for metropolitan area		
. Capital cooperation	. LNG (liquefied natural gas)		
	. Two-step loan from OECF (Official Economic Cooperation Funds) to IFCT (Industrial Financing Corporation of Thailand)	. Commencement of cooperation based on Thailand's increasing interest	
. Transfer of declining industries			
. Establishment of targets for export to Japan, and quarterly review			

(4) Malaysia

Demands Made to Japan		Responses of Japan	Reactions to Japan's Response
Trade:			
. Tariff reduction	. Plywood	. Reduction in April 1987	. Dissatisfied with the differential between coniferous tree plywood and other types; also with the timing of reduction.
. Reduction of preferential tariff	. Palm oil	. A cut in the current rate of 3% to zero % (free)	
. IQ increase	. Canned pineapples		
. Import expansion	. Natural rubber, natural gas	. Already implemented a raise in LNG imports	
. Expansion of product import	. Improvement of access to the Japanese markets for export production exports of Malaysia, particularly in the field of food processing	. Reduction of tariff for about 150 agricultural products. Improvement of preferential ceiling at a new round of negotiations (8 items of ASEAN interest were included in the market opening measures of Dec. 1984, and the ceiling was raised).	
. Export of passenger cars	. For reduction of the costs of passenger car production, expansion of part exports to Japan, and use of the Japanese sales and service networks in third party nations	. All efforts for domestic markets for the time being ("MITSUBISHI" cars), leaving the question for the future	
. Individual trade problems	. Expansion of the share of Malaysia and its capital participation in Japanese shipping in the areas of transport (especially shipping) and insurance	. Maya Enterprises has established Shipping Joint Venture Pomex Maya, and started ship assignment in June.	
. Expansion of direct dealing with Malaysian people (Bumiputra)			
Investment expansion:			
. Related to resources			
. Infrastructure	. Electric power, gas, waterworks, telegraph and telephone, airline and port facilities		
Technology transfer (technical cooperation):			
. Promotion of technology transfer	. Transfer of technology is slow, and it leads to higher costs. Also, the Japanese concerned stay too long.		
	. Cooperation on establishment of a science and technology information center in soft wave areas	. Action will be taken when specific demands for cooperation are received.	
	. Setting up of a committee for technology transfer in the Federation of Economic Organizations of Japan.		
	. Transfer of knowhow by multinational corporations		
. Cooperation on manpower development	. Employment of Malaysians		

(4) Malaysia

Demands Made to Japan		Responses of Japan	Reactions to Japan's Response
Economic cooperation and others:			
. Projects	. Cooperation on construction of a new line for the east-west railroad		
. ASEAN version of the Caribbean Common market			
. Relocation of declining industries		. This is difficult, since many declining enterprises have insufficient funds for overseas inroads.	

(5) Singapore

Demands Made to Japan		Responses of Japan	Reactions to Japan's Response
Trade:			
. Improvements of market access to Japan	. Lifting of non-tariff barriers	. Improvement of the standard certificate system	
. Expansion of product imports	. Clothing, furniture petrochemical products	. Tariff reduction for about 1,700 industrial products	
Investment expansion:			
. Modernization of the existing factories	. Higher technology (automation and robot applications) and modernization of equipment of existing Japanese enterprises . Listing on the stock market		
Technology transfer (technical cooperation):			
. Manpower development	. Training and technology transfer for machine-sewing and introduction of fashion trends in the area of clothing . Technology transfer in construction work by establishment of a construction supervisor training center . Technology transfer for modernization of the existing equipment		
Economic cooperation and others:			
	. Founding of a scholarships system for Japanese language training . Cooperation on the convention center in Singapore		

Table 1 Trade Statistics of Thailand in 1983 (SITC 1 Digit)

1983

Export

	To World	To Japan	To U.S.A.	To EC	To NICs	To ASEAN
SITC0 Food & Live Animals	3,200,787	393,827	230,012	771,816	330,587	350,489
1 Beverages & Tabacco	80,862	12,132	11,109	34,867	2,150	2,590
2 Crude Materials, Inedible	710,983	334,937	106,381	41,654	67,820	34,407
3 Mineral Fuels	26,521	10	0	1	617	692
4 Animal & Vegetable Oils and Fats	12,235	1,560	2,495	4,006	1,306	835
5 Chemicals	56,446	7,455	1,380	3,753	21,171	7,055
6 Rubber, Leather, Wood, Paper, Metal	1,082,411	163,281	250,207	255,066	151,485	42,124
7 Machinery	360,216	15,488	112,034	20,710	165,129	23,667
8 Miscellaneous Manufactured Articles	730,606	24,229	223,970	187,461	62,288	5,929
9 Commodities & Transactions Not Classified by Kinds	107,133	7,298	14,532	25,485	32,739	4,804
Total Products	6,368,200	960,219	952,120	1,344,819	835,292	472,592

	To World	To Japan	To U.S.A.	To EC	To NICs	To ASEAN
SITC0 Food & Live Animals	100.0	12.3	7.2	24.1	10.3	11.0
1 Beverages & Tabacco	100.0	15.0	13.7	43.1	2.7	3.2
2 Crude Materials, Inedible	100.0	47.1	15.0	5.9	9.5	4.8
3 Mineral Fuels	100.0	0.0	0.0	0.0	2.3	2.6
4 Animal & Vegetable Oils and Fats	100.0	12.8	20.4	32.7	10.7	6.8
5 Chemicals	100.0	13.2	2.4	6.6	37.5	12.5
6 Rubber, Leather, Wood, Paper, Metal	100.0	15.1	23.1	23.6	14.0	3.9
7 Machinery	100.0	4.3	31.1	5.7	45.8	6.6
8 Miscellaneous Manufactured Articles	100.0	3.3	30.7	25.7	8.5	0.8
9 Commodities & Transactions Not Classified by Kinds	100.0	6.8	13.6	23.8	30.6	4.5
Total Products	100.0	15.1	15.0	21.1	13.1	7.4

	To World	To Japan	To U.S.A.	To EC	To NICs	To ASEAN
SITC0 Food & Live Animals	50.3	41.0	24.2	57.4	39.6	74.2
1 Beverages & Tabacco	1.3	1.3	1.2	2.6	0.3	0.5
2 Crude Materials, Inedible	11.2	34.9	11.2	3.1	8.1	7.3
3 Mineral Fuels	0.4	0.0	0.0	0.0	0.1	0.1
4 Animal & Vegetable Oils and Fats	0.2	0.2	0.3	0.3	0.2	0.2
5 Chemicals	0.9	0.8	0.1	0.3	2.5	1.5
6 Rubber, Leather, Wood, Paper, Metal	17.0	17.0	26.3	19.0	18.1	8.9
7 Machinery	5.7	1.6	11.8	1.5	19.8	5.0
8 Miscellaneous Manufactured Articles	11.5	2.5	23.5	1.39	7.5	1.3
9 Commodities & Transactions Not Classified by Kinds	1.7	0.8	1.5	1.9	3.9	1.0
Total Products	100.0	100.0	100.0	100.0	100.0	100.0

1983

Import

	To World	To Japan	To U.S.A.	To EC	To NICs	To ASEAN
SITC0 Food & Live Animals	331,689	26,944	56,836	80,124	8,832	13,621
1 Beverages & Tabacco	55,132	266	26,535	24,429	867	27
2 Crude Materials, Inedible	584,674	27,279	112,226	30,611	16,339	89,557
3 Mineral Fuels	2,488,219	19,356	21,466	5,450	468,073	432,136
4 Animal & Vegetable Oils and Fats	35,903	2,137	1,637	1,928	8,270	19,583
5 Chemicals	1,344,566	302,346	256,641	356,283	50,243	8,342
6 Rubber, Leather, Wood, Paper, Metal	1,670,329	678,884	87,930	194,738	62,013	13,431
7 Machinery	2,973,070	1,590,207	448,215	476,824	97,662	19,432
8 Miscellaneous Manufactured Articles	380,431	130,775	64,783	65,924	28,248	4,086
9 Commodities & Transactions Not Classified by Kinds	414,899	35,731	218,803	72,492	17,539	2,814
Total Products	10,278,912	2,813,925	1,295,072	1,308,803	758,086	603,029

	To World	To Japan	To U.S.A.	To EC	To NICs	To ASEAN
SITC0 Food & Live Animals	100.0	8.1	17.1	24.2	2.7	4.1
1 Beverages & Tabacco	100.0	0.5	48.1	44.3	1.6	0.0
2 Crude Materials, Inedible	100.0	4.7	19.2	5.2	2.8	15.3
3 Mineral Fuels	100.0	0.8	0.9	0.2	18.8	17.4
4 Animal & Vegetable Oils and Fats	100.0	6.0	4.6	5.4	23.0	54.5
5 Chemicals	100.0	22.5	19.1	26.5	3.7	0.6
6 Rubber, Leather, Wood, Paper, Metal	100.0	40.6	5.3	11.7	3.7	0.8
7 Machinery	100.0	53.5	15.1	16.0	3.3	0.7
8 Miscellaneous Manufactured Articles	100.0	34.4	17.0	17.3	7.4	1.1
9 Commodities & Transactions Not Classified by Kinds	100.0	8.6	52.7	17.5	4.2	0.7
Total Products	100.0	27.4	12.6	12.7	7.4	5.9

	To World	To Japan	To U.S.A.	To EC	To NICs	To ASEAN
SITC0 Food & Live Animals	3.2	1.0	4.4	6.1	1.2	2.3
1 Beverages & Tabacco	0.5	0.0	2.0	1.9	0.1	0.0
2 Crude Materials, Inedible	5.7	1.0	8.7	2.3	2.2	14.9
3 Mineral Fuels	24.2	0.7	1.7	0.4	61.7	71.7
4 Animal & Vegetable Oils and Fats	0.3	0.1	0.1	0.1	1.1	3.2
5 Chemicals	13.1	10.7	19.8	27.2	6.6	1.4
6 Rubber, Leather, Wood, Paper, Metal	16.3	24.1	6.8	14.9	8.2	2.2
7 Machinery	28.9	56.5	34.6	36.4	12.9	3.2
8 Miscellaneous Manufactured Articles	3.7	4.6	5.0	5.0	3.7	0.7
9 Commodities & Transactions Not Classified by Kinds	4.0	1.3	16.9	5.5	2.3	0.5
Total Products	100.0	100.0	100.0	100.0	100.0	100.0

Table 2 Thailand's Trade with Japan, 1971 - 1983 (SITC 2 Digits)

		1971				1972				1973				1974				1975				1976				1977			
		Export		Import		Export		Import		Export		Import		Export		Import		Export		Import		Export		Import		Export		Import	
		(1,000US$)	(%)	(1,000US$)	(%)	(1,000US$)	(%)	(1,000US$)	(%)	(1,000US$)	(%)	(1,000US$)	(%)	(1,000US$)	(%)	(1,000US$)	(%)	(1,000US$)	(%)	(1,000US$)	(%)	(1,000US$)	(%)	(1,000US$)	(%)	(1,000US$)	(%)	(1,000US$)	(%)
	Total Products	288,541	100.000	485,251	100.000	324,629	100.000	548,142	100.000	412,489	100.000	741,897	100.000	634,113	100.000	998,491	100.000	609,428	100.000	1,034,384	100.000	768,791	100.000	1,158,277	100.000	687,719	100.000	1,453,604	100.000
SITC00	Live Animals	6	0.002	104	0.021	0	0.000	164	0.030	0	0.000	287	0.039	0	0.000	191	0.019	0	0.000	146	0.014	0	0.000	246	0.021	1	0.000	168	0.011
01	Meat	10	0.005	9	0.002	4	0.002	16	0.003	1,128	0.273	19	0.003	1,745	0.275	8	0.001	594	0.097	5	0.000	2,526	0.459	1	0.000	7,949	1.162	3	0.000
02	Dairy Products	0	0.000	183	0.038	0	0.000	311	0.057	6	0.001	341	0.046	0	0.000	304	0.031	0	0.000	620	0.060	4	0.001	552	0.048	0	0.000	1,116	0.075
03	Fish	11,932	5.005	690	0.105	18,631	5.316	866	0.158	42,410	11.196	1,188	0.160	38,817	6.279	974	0.098	66,879	10.974	1,331	0.129	83,520	10.864	2,216	0.191	74,966	10.892	2,988	0.139
04	Cereals	56,747	27.618	81	0.017	46,888	20.571	372	0.068	55,155	13.444	88	0.012	149,969	23.658	186	0.011	119,067	19.536	164	0.016	111,894	14.555	113	0.010	46,664	6.788	582	0.039
05	Fruit and Vegetables	18,611	5.162	425	0.088	16,392	4.630	346	0.065	15,740	4.543	414	0.056	28,563	4.230	663	0.066	24,319	4.155	530	0.050	51,165	6.657	733	0.063	53,168	7.778	1,217	0.081
06	Sugar	2,837	1.124	93	0.019	7,037	3.141	58	0.011	6,578	2.688	105	0.014	117,473	18.528	110	0.011	102,068	16.748	122	0.012	218,431	28.542	185	0.016	151,793	22.072	196	0.013
07	Coffee, Tea, Cocoa	330	0.105	132	0.027	162	0.072	102	0.019	155	0.038	100	0.013	17	0.003	37	0.004	9	0.001	59	0.006	45	0.006	121	0.010	311	0.045	264	0.018
08	Feeding-stuff for Animals	1,042	0.517	42	0.009	1,025	0.458	78	0.013	4,092	0.992	68	0.009	892	0.141	231	0.023	696	0.113	1,058	0.179	2,143	0.279	147	0.013	2,262	0.329	336	0.022
09	Miscellaneous	56	0.027	327	0.067	77	0.034	372	0.068	66	0.016	420	0.057	249	0.039	467	0.047	150	0.025	593	0.057	288	0.025	1,017	0.088	188	0.026	2,066	0.138
11	Beverages	0	0.000	15	0.003	0	0.000	14	0.003	2	0.000	16	0.002	0	0.000	18	0.002	1	0.000	36	0.003	5	0.001	66	0.006	34	0.005	44	0.003
12	Tobacco	4,174	2.031	0	0.000	4,111	1.035	0	0.000	3,473	0.843	1	0.000	5,402	0.852	0	0.000	7,133	1.170	0	0.000	7,365	0.961	0	0.000	7,020	1.137	0	0.000
21	Hides	365	0.178	97	0.012	1,774	0.792	0	0.000	953	0.231	1	0.000	272	0.043	0	0.000	182	0.030	0	0.000	245	0.045	0	0.000	496	0.059	0	0.000
22	Oil-seeds	2,169	1.432	0	0.000	2,028	1.030	0	0.000	14,283	3.547	16	0.002	14,748	2.328	0	0.000	5,923	1.028	0	0.000	10,867	1.414	0	0.000	14,612	2.416	0	0.000
23	Crude Rubber	47,891	23.300	1,098	0.226	52,183	23.427	1,268	0.235	120,843	29.296	2,127	0.287	114,134	18.314	1,939	0.196	94,346	15.481	2,015	0.233	137,755	17.918	2,817	0.217	148,399	23.223	4,648	0.272
24	Wood, Lumber and Cork	3,274	1.583	3	0.001	3,966	1.766	5	0.001	11,278	2.734	7	0.001	4,358	1.001	7	0.001	4,561	1.075	5	0.000	10,078	1.311	3	0.000	9,585	1.394	13	0.001
25	Pulp and Paper	0	0.000	762	0.157	0	0.000	791	0.144	0	0.000	1,075	0.145	0	0.000	2,369	0.238	0	0.000	2,327	0.230	0	0.000	3,374	0.291	0	0.000	1,169	0.078
26	Textile	18,593	8.154	4,162	0.858	9,691	4.326	18,106	1.843	7,617	1.847	15,414	2.088	8,522	1.344	14,714	1.486	4,828	0.743	7,283	0.704	6,448	1.099	12,041	1.098	9,196	1.337	9,543	0.639
27	Crude Fertilizers	12,643	6.151	398	0.082	8,122	3.625	542	0.098	9,326	2.261	673	0.091	18,152	1.640	1,667	0.168	6,518	1.078	1,728	0.167	6,861	0.892	1,199	0.129	6,952	1.011	2,249	0.151
28	Metalliferrous Ores	4,611	2.146	3,265	0.673	1,764	0.787	3,962	0.723	2,978	0.722	1,168	0.158	2,189	0.538	2,581	0.258	1,593	0.261	1,874	0.181	3,120	0.445	7,057	0.609	3,983	0.568	1,727	0.116
29	Crude Animal & Veg. Mat. N.E.S.	2,203	1.072	3,231	0.666	2,628	1.619	2,481	0.453	5,663	1.378	3,020	0.408	7,165	1.177	2,629	0.265	4,224	0.693	2,148	0.237	7,869	1.016	2,142	0.185	10,547	1.534	1,785	0.120
32	Coal, Coke and Briquettes	0	0.000	670	0.138	0	0.000	729	0.133	0	0.000	1,133	0.153	0	0.000	2,102	0.211	0	0.000	2,699	0.261	0	0.000	3,925	0.339	0	0.000	3,611	0.255
33	Petroleum	65	0.032	2,782	0.573	12	0.005	1,932	0.352	1,701	0.412	2,178	0.294	618	0.129	3,642	0.570	28	0.005	3,639	0.515	11	0.001	4,018	0.346	5	0.001	3,444	0.231
34	Natural Gas	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000	1	0.000
41	Animal Oils and Fats	0	0.000	7	0.001	0	0.000	13	0.002	13	0.003	169	0.022	61	0.010	526	0.053	0	0.000	154	0.015	0	0.000	38	0.003	0	0.000	61	0.004
42	Fixed Vegetable Oils and Fats	0	0.000	35	0.007	1	0.000	62	0.011	0	0.000	101	0.014	0	0.000	49	0.005	0	0.000	136	0.013	0	0.001	146	0.013	60	0.009	252	0.017
43	Processed Oils and Fats	0	0.000	170	0.035	0	0.000	215	0.015	0	0.000	297	0.040	0	0.000	226	0.023	1	0.000	427	0.041	38	0.004	685	0.059	97	0.014	648	0.043
51	Chemical Elements	7	0.003	14,396	2.379	67	0.021	20,795	3.794	134	0.032	34,484	4.653	665	0.105	58,831	5.910	484	0.066	64,959	6.278	642	0.084	84,113	7.342	2,238	0.326	92,124	6.168
52	Crude Chemicals	0	0.000	6	0.001	0	0.000	4	0.001	0	0.000	32	0.004	0	0.000	20	0.002	0	0.000	40	0.004	0	0.000	25	0.002	0	0.000	54	0.004
53	Dyeing	126	0.061	8,890	1.667	23	0.010	14,977	2.003	1	0.000	13,464	2.007	61	0.010	14,909	1.505	91	0.015	12,035	1.241	196	0.025	16,151	1.393	157	0.023	28,438	1.340
54	Medicinal & Pharmaceutical Prods.	598	0.298	2,515	0.721	997	0.445	4,923	0.900	1,157	0.280	4,739	0.639	2,590	0.408	4,519	0.456	2,719	0.410	4,887	0.472	5,352	0.696	8,512	0.735	4,635	0.674	5,670	0.392
55	Essential Oils	0	0.000	2,326	0.479	2	0.001	3,143	0.577	0	0.000	4,671	0.603	145	0.023	5,747	0.580	96	0.016	4,898	0.473	3	0.000	6,548	0.565	19	0.003	7,311	0.489
56	Fertilizers	0	0.000	9,443	1.946	0	0.000	14,719	2.656	0	0.000	14,843	2.003	0	0.000	15,923	1.608	0	0.000	27,273	2.636	0	0.000	14,145	1.220	0	0.000	8,846	0.595
58	Plastic Materials	0	0.000	350	0.072	0	0.000	297	0.054	0	0.000	522	0.070	0	0.000	606	0.061	0	0.000	595	0.058	0	0.000	373	0.032	0	0.000	1,099	0.074
59	Chemical Materials & Prods. N.E.S.	1,598	0.771	22,141	4.749	2,669	0.924	24,387	4.631	184	0.045	48,572	6.475	72	0.011	36,458	3.681	112	0.018	34,977	4.027	88	0.011	41,454	3.578	6	0.001	54,505	3.684
61	Leather Manufactures	13	0.006	5,101	1.068	8	0.004	6,619	1.206	1,250	0.303	7,184	0.968	465	0.073	8,796	0.888	102	0.017	8,664	0.837	81	0.011	11,674	1.007	25	0.004	17,106	1.165
62	Rubber Manufactures	5	0.004	159	0.033	53	0.037	148	0.027	42	0.015	275	0.037	148	0.020	429	0.043	271	0.044	184	0.018	349	0.045	151	0.013	138	0.020	241	0.016
63	Wood and Cork Manufactures	2	0.001	2,955	0.609	76	0.034	3,445	0.628	366	0.089	3,788	0.510	419	0.066	4,410	0.445	43	0.007	4,786	0.463	131	0.017	5,216	0.450	2	0.000	8,135	0.545
64	Paper	439	0.214	384	0.063	1,011	0.451	226	0.041	3,351	0.812	188	0.026	2,527	0.398	313	0.032	2,484	0.408	191	0.019	3,163	0.411	219	0.019	2,258	0.328	280	0.019
65	Textile Yarn, Fabrics	227	0.110	9,159	1.887	135	0.060	6,374	1.163	70	0.017	9,510	1.281	56	0.009	9,207	0.926	6	0.001	12,761	1.233	2	0.000	12,019	1.111	12	0.002	16,980	1.137
66	Non-metallic Mineral Manufactures	61,312	29.899	34,192	7.048	38,488	17.233	34,233	6.245	35,675	8.649	42,627	5.752	43,633	7.196	57,169	5.772	24,720	4.384	47,303	4.573	16,822	2.819	38,273	3.301	14,416	2.096	38,129	2.553
67	Iron and Steel	1,418	0.690	4,684	1.371	2,692	1.208	4,867	0.851	5,692	1.380	5,822	0.786	1,257	0.750	4,746	0.681	8,678	1.424	9,917	0.920	5,667	1.250	8,668	0.747	10,891	1.467	12,418	0.831
68	Non-ferrous Metals	1	0.000	72,425	14.360	11	0.005	86,414	15.801	10	0.003	120,243	16.765	1,050	0.166	162,039	16.279	56	0.009	143,686	13.888	84	0.011	202,949	17.593	3	0.000	253,672	16.984
69	Manufactures of Metal, N.E.S.	2,183	1.062	9,714	2.002	12,616	5.678	9,526	1.738	24,230	5.876	15,897	1.605	34,710	6.105	17,188	1.735	34,330	6.291	20,509	1.982	46,536	5.923	23,212	2.002	63,275	9.201	34,164	2.349
71	Machinery	56	0.027	15,946	3.288	131	0.058	23,296	4.250	1,359	0.329	23,389	3.157	1,328	0.208	28,546	2.882	316	0.052	28,452	2.843	200	0.026	27,524	2.374	380	0.055	36,251	2.427
72	Electrical Machinery	95	0.046	96,348	19.819	201	0.117	104,666	19.460	164	0.045	134,178	18.044	349	0.056	227,821	23.001	639	0.105	235,423	22.755	480	0.062	211,491	18.263	785	0.114	278,962	18.744
73	Transport Equipment	19	0.009	42,864	8.672	65	0.029	52,033	9.493	155	0.038	71,338	9.625	1,745	0.275	82,494	8.329	531	0.087	68,833	6.653	458	0.060	102,130	8.819	787	0.114	120,653	8.078
81	Lighting Fixtures and Fittings	555	0.270	39,701	16.435	47	0.021	85,386	15.576	26	0.006	131,416	17.733	62	0.010	163,198	16.537	17	0.003	216,250	20.902	18	0.002	264,341	22.822	44	0.006	407,619	27.291
82	Furniture	0	0.000	488	0.064	1	0.000	524	0.096	13	0.003	483	0.065	40	0.006	435	0.044	0	0.000	330	0.032	3	0.000	241	0.021	5	0.001	612	0.020
83	Handbags, etc.	4	0.002	432	0.089	37	0.017	355	0.065	1,098	0.266	262	0.035	2,175	0.343	448	0.045	1,750	0.290	366	0.035	1,489	0.194	516	0.045	1,874	0.272	672	0.045
84	Clothing	3	0.001	79	0.016	11	0.005	124	0.023	38	0.009	74	0.010	30	0.005	69	0.007	104	0.017	105	0.010	107	0.014	87	0.008	44	0.006	148	0.010
85	Footwear	24	0.036	981	0.202	132	0.061	992	0.181	1,063	0.263	458	0.062	4,370	0.689	667	0.067	3,831	0.629	660	0.064	3,534	0.460	719	0.062	2,236	0.325	713	0.048
86	Precision Machinery	0	0.000	199	0.041	0	0.000	138	0.025	45	0.011	101	0.014	17	0.003	53	0.005	5	0.001	71	0.007	3	0.000	112	0.010	2	0.000	135	0.009
89	Misc. Manufactured Articles, N.E.S.	12	0.006	4,288	1.296	119	0.053	5,448	1.030	68	0.016	6,728	0.907	46	0.007	9,496	0.950	1,364	0.224	8,656	0.827	2,967	0.402	10,167	0.877	3,926	0.571	17,020	1.140
09	Comm. & Transactions Not Classified	333	0.162	8,288	1.691	651	0.291	8,546	1.563	3,341	0.815	10,441	1.409	3,250	0.513	11,195	1.130	5,286	0.867	10,881	1.041	5,193	0.675	13,261	1.144	3,924	0.567	14,179	0.941
		14,583	7.056	10,902	2.247	13,648	6.770	7,186	1.311	17,891	4.143	9,415	1.270	8,028	1.266	5,596	0.565	11,648	1.911	9,788	0.945	9,174	1.193	12,058	1.040	12,769	1.848	14,188	0.950

		1978				1979				1980				1981				1982				1983			
		Export		Import		Export		Import		Export		Import		Export		Import		Export		Import		Export		Import	
		(1,000US$)	(%)	(1,000US$)	(%)	(1,000US$)	(%)	(1,000US$)	(%)	(1,000US$)	(%)	(1,000US$)	(%)	(1,000US$)	(%)	(1,000US$)	(%)	(1,000US$)	(%)	(1,000US$)	(%)	(1,000US$)	(%)	(1,000US$)	(%)
	Total Products	828.535	100.000	1.645.672	100.000	1.129.466	100.000	1.813.834	100.000	981.626	100.000	1.852.476	100.000	997.918	100.000	2.412.457	100.000	954.444	100.000	2.804.855	100.000	968.219	100.000	2.813.925	100.000
SITC00	Live Animals	0	0.000	154	0.009	0	0.000	185	0.010	68	0.007	194	0.010	93	0.009	213	0.013	22	0.001	68	0.007	7	0.000		
01	Meat	18.836	2.271	7	0.000	26.826	2.375	6	0.000	28.469	2.853	3	0.000	54.309	5.443	2	0.000	55.452	5.812	3	0.000	38.219	3.948	5	0.000
02	Dairy Products	8	0.000	938	0.057	0	0.000	2.328	0.128	0	0.000	3.478	0.178	0	0.000	5.658	0.234	0	0.000	5.441	0.222	21	0.002	4.316	0.224
03	Fish	118.302	12.304	1.667	0.089	135.372	13.854	1.563	0.065	124.161	12.648	1.045	0.056	145.986	14.629	1.255	0.052	168.608	17.671	2.185	0.105	182.857	15.940	7.649	0.272
04	Cereals	62.612	7.548	333	0.020	63.859	5.783	394	0.021	33.566	2.401	1.311	0.067	44.879	4.417	2.305	0.096	48.995	4.297	2.473	0.124	14.758	1.537	4.189	0.228
05	Fruit and Vegetables	58.778	7.086	887	0.049	46.775	4.171	798	0.043	43.642	4.464	967	0.050	47.484	4.758	915	0.038	68.134	6.382	1.716	0.086	58.883	6.228	2.118	0.075
06	Sugar	81.106	10.983	122	0.007	151.295	13.491	81	0.004	52.502	5.348	91	0.005	64.252	6.038	121	0.005	104.243	10.925	88	0.004	122.105	12.716	82	0.003
07	Coffee, Tea, Cocoa	195	0.023	151	0.013	845	0.075	197	0.011	297	0.048	167	0.009	1.621	0.163	284	0.008	1.512	0.158	314	0.016	615	0.064	212	0.008
08	Feeding-stuff for Animals	1.218	0.147	561	0.034	2.352	0.218	693	0.038	3.469	0.353	1.322	0.068	4.096	0.418	1.995	0.083	3.477	0.364	2.665	0.133	4.978	0.518	2.084	0.074
09	Miscellaneous	158	0.019	2.345	0.142	191	0.017	2.723	0.148	188	0.019	2.721	0.191	248	0.024	3.427	0.142	384	0.040	1.887	0.094	282	0.021	2.054	0.073
11	Beverages	226	0.027	115	0.007	324	0.029	161	0.009	168	0.017	111	0.006	68	0.006	186	0.008	497	0.052	212	0.011	189	0.014	197	0.007
12	Tobacco	10.256	1.236	8	0.000	8.825	0.716	4	0.000	7.657	0.780	37	0.002	5.633	0.565	52	0.002	11.648	1.221	67	0.003	12.025	1.252	69	0.002
21	Hides	1.042	0.126	8	0.000	1.796	0.158	8	0.000	1.254	0.128	12	0.001	1.819	0.182	106	0.004	682	0.072	28	0.001	416	0.043	13	0.000
22	Oil-seeds	12.958	1.562	8	0.000	14.681	1.300	1	0.000	7.990	0.814	2.076	0.106	18.623	1.854	1	0.000	4.863	0.719	3	0.000	3.502	0.365	1	0.000
23	Crude Rubber	215.094	25.838	4.286	0.260	352.561	31.527	5.656	0.307	294.063	40.348	6.548	0.337	351.491	35.242	8.338	0.346	242.882	25.476	5.848	0.252	295.782	30.804	5.668	0.201
24	Wood, Lumber and Cork	1.334	0.161	17	0.001	886	0.078	16	0.001	296	0.024	15	0.001	282	0.028	7	0.000	435	0.056	7	0.000	297	0.031	15	0.001
25	Pulp and Paper	8	0.000	749	0.046	8	0.000	1.888	0.058	8	0.000	595	0.030	8	0.000	4.024	0.250	8	0.000	1.433	0.072	14	0.001	1	0.000
26	Textile	5.494	0.651	5.579	0.339	6.969	0.621	7.467	0.405	4.168	0.428	5.498	0.286	8.731	0.875	12.948	0.536	5.458	0.572	13.447	0.672	422	0.044	13.898	0.494
27	Crude Fertilizers	6.019	0.726	2.878	0.126	7.648	0.682	2.721	0.148	5.304	0.957	3.963	0.203	6.481	0.641	2.455	0.102	6.118	0.641	1.481	0.074	4.531	0.468	2.089	0.074
28	Metalliferrous Ores	3.081	0.371	375	0.023	7.585	0.676	264	0.014	7.072	0.720	360	0.018	7.466	0.706	4.564	0.189	4.835	0.475	838	0.042	4.563	0.471	624	0.022
29	Crude Animal & Veg. Mat. N.E.S.	11.942	1.440	1.219	0.074	12.866	1.583	854	0.046	18.485	1.883	603	0.031	25.553	2.561	817	0.034	17.178	1.800	996	0.050	23.400	2.438	4.974	0.177
32	Coal, Coke and Briquettes	0	0.000	4.431	0.269	0	0.000	5.262	0.291	4	0.000	6.504	0.333	0	0.000	5.430	0.225	0	0.000	4.178	0.209	4	0.000	4.995	0.178
33	Petroleum	18	0.002	18.028	0.609	886	0.078	2.628	0.142	2.693	0.264	2.982	0.153	1.827	0.183	28.652	1.188	2.531	0.265	4.385	0.218	7	0.001	5.254	0.187
34	Natural Gas	0	0.000	0	0.000	0	0.000	6	0.000	0	0.000	542	0.028	0	0.000	4.569	0.189	0	0.000	28.828	1.041	0	0.000	9.107	0.324
41	Animal Oils and Fats	0	0.000	41	0.002	17	0.002	53	0.003	27	0.003	73	0.004	0	0.000	58	0.002	1	0.000	62	0.003	6	0.001	81	0.003
42	Fixed Vegetable Oils and Fats	0	0.000	639	0.039	334	0.030	888	0.048	2.912	0.297	5.508	0.297	5.764	0.578	1.272	0.053	3.196	0.335	603	0.028	1.541	0.161	949	0.038
43	Processed Oils and Fats	68	0.007	894	0.054	148	0.012	961	0.052	1.464	0.149	1.506	0.077	38	0.003	1.626	0.067	28	0.002	1.882	0.050	12	0.001	1.207	0.043
51	Chemical Elements	2.246	0.278	87.674	5.935	5.415	0.483	132.436	7.186	2.138	0.218	134.906	7.985	18.464	1.849	166.357	6.896	12.533	1.314	116.241	5.760	4.881	0.625	130.867	4.622
52	Crude Chemicals	0	0.000	46	0.003	0	0.000	352	0.019	0	0.000	110	0.006	0	0.000	282	0.012	0	0.000	135	0.007	0	0.000	173	0.006
53	Dyeing	144	0.013	24.223	1.472	115	0.010	25.716	1.385	56	0.006	26.292	1.347	7	0.001	25.748	1.067	108	0.011	24.196	1.309	156	0.016	30.332	1.078
54	Medicinal & Pharmaceutical Prods.	3.817	0.781	5.961	0.362	8.318	0.742	7.136	0.387	6.701	0.682	7.526	0.385	5.139	0.515	6.728	0.279	171	0.018	5.669	0.283	471	0.049	7.121	0.253
55	Essential Oils	8	0.001	2.010	0.121	8	0.000	10.610	0.543	13	0.001	10.318	0.528	1	0.000	11.418	0.473	8	0.001	9.449	0.472	17	0.002	12.313	0.438
56	Fertilizers	5	0.000	18.697	0.650	8	0.000	22.335	1.211	8	0.000	25.178	1.289	8	0.000	24.000	1.078	8	0.000	28.316	1.417	8	0.000	28.721	1.021
57	Explosives & Pyrotechnic Prods.	8	0.000	148	0.009	8	0.000	128	0.007	8	0.000	335	0.017	8	0.000	18	0.001	8	0.000	118	0.006	8	0.000	295	0.010
58	Plastic Materials	358	0.042	52.148	3.169	73	0.007	68.613	3.733	58	0.006	47.773	2.447	7	0.001	56.314	2.334	8	0.001	48.875	2.103	634	0.068	58.604	2.083
59	Chemical Materials & Prods. N.E.S.	34	0.004	21.684	1.318	26	0.002	30.168	1.631	2.028	0.206	31.126	1.594	15	0.002	31.450	1.328	316	0.033	28.369	1.418	146	0.015	34.720	1.234
61	Leather Manufactures	3	0.000	148	0.010	78	0.007	289	0.016	71	0.007	328	0.017	192	0.019	266	0.011	118	0.012	284	0.014	124	0.013	246	0.009
62	Rubber Manufactures	48	0.005	1.478	0.111	111	0.010	1.357	0.108	108	0.010	11.476	0.587	467	0.047	15.757	0.653	641	0.067	12.316	0.666	389	0.032	16.695	0.593
63	Wood and Cork Manufactures	1.655	0.706	266	0.018	16.745	1.484	248	0.013	10.853	1.116	308	0.016	6.545	0.696	291	0.012	6.648	0.696	265	0.012	7.998	0.822	310	0.011
64	Paper	25	0.003	13.392	0.814	32	0.003	16.037	0.919	26	0.003	12.962	0.715	12	0.001	22.514	0.933	47	0.005	24.256	1.212	36	0.004	24.216	0.861
65	Textile Yarn, Fabrics	18.466	2.225	38.568	2.484	37.687	3.353	61.786	3.267	35.196	3.616	68.917	3.126	5.311	0.533	72.229	2.991	2.311	0.242	65.628	3.288	35.034	3.649	88.758	2.878
66	Non-metallic Mineral Manufactures	25.529	3.078	18.558	1.188	28.689	2.558	27.826	1.516	27.026	2.753	32.572	1.666	42.298	4.239	27.349	1.134	51.855	5.435	15.884	0.798	64.922	6.949	27.052	0.961
67	Iron and Steel	95	0.011	248.899	15.076	3	0.000	358.022	18.992	84	0.008	348.187	18.853	105	0.011	481.733	16.652	172	0.018	348.815	17.033	6	0.001	418.628	14.913
68	Non-ferrous Metals	74.228	9.201	32.745	1.998	85.878	7.586	32.586	1.769	102.535	10.445	37.444	1.916	63.041	6.318	36.812	1.526	56.658	5.938	37.060	1.852	52.688	5.446	48.763	1.449
69	Manufactures of Metal, N.E.S.	311	0.031	41.533	2.524	498	0.044	48.816	2.685	347	0.035	53.738	2.752	429	0.043	66.502	2.757	737	0.077	51.803	2.589	269	0.028	68.219	2.468
71	Machinery	941	0.113	374.968	23.028	2.504	0.223	404.490	21.917	1.135	0.116	400.657	20.528	1.475	0.148	550.618	22.824	2.931	0.306	449.267	22.454	9.751	1.015	684.563	24.328
72	Electrical Machinery	561	0.068	176.188	10.706	584	0.045	168.868	9.159	1.365	0.139	183.452	9.198	2.738	0.274	229.658	9.520	3.511	0.368	268.590	19.475	5.985	0.538	282.492	13.948
73	Transport Equipment	46	0.006	365.880	22.218	223	0.020	333.448	18.082	355	0.036	327.855	16.792	622	0.062	448.251	18.581	484	0.051	328.162	16.401	651	0.068	512.151	18.236
81	Lighting Fixtures and Fittings	1	0.000	512	0.031	26	0.002	372	0.020	22	0.002	671	0.036	6	0.001	854	0.035	16	0.002	784	0.039	2	0.000	1.892	0.039
82	Furniture	3.247	0.394	710	0.043	4.616	0.408	975	0.053	8.647	0.901	1.036	0.053	6.281	0.629	1.602	0.066	7.708	0.808	1.419	0.071	8.126	0.846	1.895	0.067
83	Handbags, etc.	191	0.023	45	0.003	468	0.041	126	0.007	114	0.012	115	0.006	328	0.033	286	0.009	435	0.046	219	0.011	211	0.022	388	0.014
84	Clothing	2.628	0.317	548	0.033	3.111	0.456	512	0.028	5.389	0.549	632	0.032	4.882	0.500	778	0.032	4.708	0.494	1.867	0.054	3.588	0.374	1.648	0.058
85	Footwear	27	0.003	127	0.008	73	0.007	128	0.007	9	0.001	188	0.009	7	0.001	283	0.008	94	0.010	128	0.006	188	0.019	233	0.008
86	Precision Machinery	2.350	0.283	18.215	1.176	3.081	0.275	21.683	1.172	1.811	0.184	40.824	2.091	1.993	0.200	44.166	1.831	2.454	0.257	39.263	1.962	2.182	0.258	53.028	1.884
89	Misc. Manufactured Articles, N.E.S.	32.141	4.477	28.122	1.223	5.108	0.812	32.943	1.245	6.885	0.701	21.785	1.423	8.264	0.628	48.164	1.665	3.942	0.823	44.479	2.173	8.648	1.004	72.188	2.576
09	Comm. & Transactions Not Classified	27.492	3.314	19.716	1.198	35.824	3.194	25.984	1.418	28.129	2.866	27.836	1.426	15.808	1.583	29.998	1.243	15.878	1.664	43.081	2.253	7.298	0.760	35.731	1.270

Table 3 Japan's Import from Thailand (CCCN 7 Digits)

(1) Imports

			1980	1981	1982	1983	1984
1	4001-190	Natural rubber, N.E.S.	97,712,927	88,540,536	64,044,986	72,072,440	78,043,784
2	1701-214	Sugar, centrifugal, not refined	15,044,378	8,060,052	18,686,628	29,286,358	17,433,767
3	0303-119	Other shrimps, etc. (fresh, chilled or frozen)	15,166,907	16,464,476	21,298,634	17,017,812	13,071,787
①	0202-019	Fowls (fresh, chilled or frozen), N.E.S.	6,751,804 *	9,988,405	12,288,736	7,584,583	11,317,105
5	8001-110	Unwrought tin, unalloyed	24,015,118	15,380,348	14,147,926	13,273,822	11,308,787
6	7102-229	Precious stones (excl. diamonds) & semi-precious stones	18,980,424	18,653,416	12,676,606	12,142,958	11,056,713
⑦	0303-212	Cuttle fish & squid (fresh, chilled or frozen)	5,922,147	6,286,972	10,052,901	9,047,347	8,897,207
8	8462-110	Ball bearings	0	0	165,489	2,044,313	8,134,402
⑨	0303-221	Cuttle fish & squid (salted, in brine or dried)	2,759,006	4,008,459	4,900,457	5,194,558	6,218,253
10	1108-210	Manioc starch	3,713,655	3,824,224	4,622,177	3,177,687	5,385,011
11	1703-219	Molasses, containing more than 60% of sugar, N.E.S.	3,998,835	4,622,183	6,251,898	3,998,837	3,983,667
⑫	0705-300	Green beans (dried)	3,983,281	3,740,864	3,243,152	4,687,984	3,934,534
13	5607-143	Woven fabrics of synthetic, excl. dyed goods	1,758,402	3,219,604	4,087,793	3,708,535	3,676,224
⑭	0301-279	Other fish, frozen (excl. fillets)	1,537,663	4,122,598	4,011,086	3,128,297	3,615,716
⑮	1605-239	Cuttle fish & squid, prepared, N.E.S.	842,331	1,108,136	1,676,083	1,682,289	2,668,716
⑯	0202-011	Legs of fowls, with bone-in (fresh, chilled or frozen)	*	1,804,611	2,782,257	2,208,106	2,367,119
⑰	0810-020	Pineapple (frozen, not containing added sugar)	798,110	1,291,338	1,547,111	1,530,198	2,163,212
⑱	2531-100	Fluorspar	2,466,380	1,575,932	1,463,675	1,813,210	1,868,917
⑲	0910-200	Ginger (in preservative solutions)	122,377	278,015	1,298,128	1,811,916	1,968,706
⑳	0603-000	Cut flowers	1,347,427	1,448,319	1,612,132	1,574,021	1,764,972
㉑	2601-013	Lead ore and concentrates	1,016,694	988,355	947,191	1,198,788	1,548,332
22	9808-029	Re-imported goods, N.E.S.	900,630	781,284	1,771,998	1,334,383	1,502,354
23	6203-121	Gunny bags, unused	2,216,749	1,088,711	1,166,384	1,298,087	1,372,655
㉔	2006-111	Pineapple, containing added sugar (in can, pot, bottle)	511,514	584,297	1,467,268	914,657	1,348,578
㉕	1605-299	Crustaceans and molluscs, prepared	827,322	1,012,521	822,513	625,468	1,210,497
㉖	0705-420	Pegin beans (dried)	1,262,106	1,120,403	1,874,783	1,618,674	1,203,216
㉗	1703-212	Molasses for feeding, con. more than 60% of sugar, NES	788,138	1,478,058	818,684	841,916	1,202,976
㉘	2306-000	Prod. of veg. origin used for animal food	344,297	858,135	675,482	736,287	1,177,336
㉙	1402-100	Kapok	1,338,778	1,468,472	1,638,308	1,317,448	1,163,909
㉚	2401-120	Leaf tabacco, virginia type, wholly/partially stripped	1,293,376	1,847,678	2,500,917	2,377,388	1,098,111
31	2208-100	Ethyl alcohol, denatured spirits (90% or higher)	301,192	923,256	1,304,229	1,054,774	1,047,497
32	7102-221	Diamond, worked, not set or strung, N.E.S.	59,494	231,944	344,647	414,410	1,037,268
		TOTAL	258,573,936	233,185,023	237,425,962	242,057,894	245,864,396

(2) Import share by commodity

			1980	1981	1982	1983	1984
1	4001-190	Natural rubber, N.E.S.	38.1	35.0	26.9	29.6	31.7
2	1701-214	Sugar, centrifugal, not refined	5.9	3.5	7.3	12.1	7.1
3	0303-119	Other shrimps, etc. (fresh, chilled or frozen)	5.9	7.1	8.3	7.0	5.3
①	0202-019	Fowls (fresh, chilled or frozen), N.E.S.	2.6*	4.3	4.8	3.1	4.6
5	8001-110	Unwrought tin, unalloyed	9.4	6.6	5.5	5.5	4.6
6	7102-229	Precious stones (excl. diamonds) & semi-precious stones	4.2	4.6	4.9	5.1	4.5
⑦	0303-212	Cuttle fish & squid (fresh, chilled or frozen)	2.3	2.7	3.9	3.7	3.3
8	8462-110	Ball bearings	0.0	0.0	0.1	0.9	3.3
⑨	0303-221	Cuttle fish & squid (salted, in brine or dried)	1.1	1.7	1.9	2.1	2.5
10	1108-210	Manioc starch	1.4	1.6	1.9	1.3	2.2
⑪	1703-219	Molasses, containing more than 60% of sugar, N.E.S.	1.4	2.0	2.6	1.7	1.6
⑫	0705-300	Green beans (dried)	1.6	1.6	2.0	1.9	1.6
13	5607-143	Woven fabrics of synthetic, excl. dyed goods	0.7	1.4	1.6	1.5	1.5
⑭	0301-279	Other fish, frozen (excl. fillets)	0.6	1.8	1.6	1.3	1.5
⑮	1605-239	Cuttle fish & squid, prepared, N.E.S.	0.3	0.5	0.7	0.8	1.1
⑯	0202-011	Legs of fowls, with bone-in (fresh, chilled or frozen)	*	0.8	1.1	0.9	1.0
⑰	0810-020	Pineapple (frozen, not containing added sugar)	0.3	0.5	0.6	0.6	0.9
⑱	2531-100	Fluorspar	1.0	0.7	0.6	0.7	0.8
⑲	0910-200	Ginger (in preservative solutions)	0.0	0.1	0.5	0.7	0.8
⑳	0603-000	Cut flowers	0.5	0.6	0.6	0.7	0.7
㉑	2601-013	Lead ore and concentrates	0.4	0.4	0.4	0.5	0.6
22	9808-029	Re-imported goods, N.E.S.	0.4	0.3	0.7	0.6	0.6
23	6203-121	Gunny bags, unused	0.9	0.5	0.5	0.5	0.6
㉔	2006-111	Pineapple, containing added sugar (in can, pot, bottle)	0.2	0.2	0.4	0.4	0.5
㉕	1605-299	Crustaceans and molluscs, prepared	0.2	0.4	0.3	0.3	0.5
㉖	0705-420	Pegin beans (dried)	0.5	0.5	0.7	0.7	0.5
㉗	1703-212	Molasses for feeding, con. more than 60% of sugar, NES	0.3	0.6	0.3	0.3	0.5
㉘	2306-000	Prod. of veg. origin used for animal food	0.1	0.3	0.3	0.3	0.3
㉙	1402-100	Kapok	0.5	0.6	0.6	0.5	0.5
㉚	2401-120	Leaf tabacco, virginia type, wholly/partially stripped	0.5	0.8	1.0	1.0	0.4
31	2208-100	Ethyl alcohol, denatured spirits (90% or higher)	0.1	0.4	0.5	0.4	0.4
32	7102-221	Diamond, worked, not set or strung, N.E.S.	0.0	0.1	0.1	0.2	0.4
		TOTAL	100.0	100.0	100.0	100.0	100.0

(3) Percentage of imports from Thailand to total imports

			1980	1981	1982	1983	1984
1	4001-190	Natural rubber, N.E.S.	71.3	74.2	79.7	64.7	65.7
2	1701-214	Sugar, centrifugal, not refined	5.5	5.1	16.1	31.5	25.2
3	0303-119	Other shrimps, etc. (fresh, chilled or frozen)	4.3	6.1	6.6	5.7	4.3
①	0202-019	Fowls (fresh, chilled or frozen), N.E.S.	27.8*	50.0	58.2	48.2	53.4
5	8001-110	Unwrought tin, unalloyed	20.8	18.4	18.6	14.6	12.5
6	7102-229	Precious stones (excl. diamonds) & semi-precious stones	27.7	27.8	30.9	34.4	36.2
⑦	0303-212	Cuttle fish & squid (fresh, chilled or frozen)	12.3	14.8	16.9	18.2	15.2
8	8462-110	Ball bearings	0.0	0.0	1.6	16.8	38.1
⑨	0303-221	Cuttle fish & squid (salted, in brine or dried)	73.5	94.6	93.5	91.4	93.8
10	1108-210	Manioc starch	80.9	87.6	96.1	99.6	100.0
⑪	1703-219	Molasses, containing more than 60% of sugar, N.E.S.	19.1	25.6	44.8	30.5	28.0
⑫	0705-300	Green beans (dried)	74.5	61.4	68.2	58.3	61.3
13	5607-143	Woven fabrics of synthetic, excl. dyed goods	14.9	27.9	40.8	28.6	21.8
⑭	0301-279	Other fish, frozen (excl. fillets)	7.7	14.8	10.6	9.2	8.8
⑮	1605-239	Cuttle fish & squid, prepared, N.E.S.	47.6	64.0	51.1	59.8	37.5
⑯	0202-011	Legs of fowls, with bone-in (fresh, chilled or frozen)	*	11.4	13.3	11.6	12.8
⑰	0810-020	Pineapple (frozen, not containing added sugar)	58.8	88.1	89.3	90.3	95.9
⑱	2531-100	Fluorspar	24.0	16.3	14.3	19.3	18.0
⑲	0910-200	Ginger (in preservative solutions)	4.9	10.5	28.3	34.0	41.0
⑳	0603-000	Cut flowers	33.0	37.6	44.8	39.8	39.4
㉑	2601-013	Lead ore and concentrates	2.5	3.2	4.8	4.8	7.4
22	9808-029	Re-imported goods, N.E.S.	0.6	0.7	1.2	0.7	0.6
23	6203-121	Gunny bags, unused	31.7	52.1	49.9	52.3	58.3
㉔	2006-111	Pineapple, containing added sugar (in can, pot, bottle)	15.4	18.8	36.1	27.9	30.7
㉕	1605-299	Crustaceans and molluscs, prepared	14.2	20.7	15.7	11.1	12.5
㉖	0705-420	Pegin beans (dried)	79.9	71.6	90.6	91.5	91.1
㉗	1703-212	Molasses for feeding, con. more than 60% of sugar, NES	32.1	43.8	70.8	71.5	79.3
㉘	2306-000	Prod. of veg. origin used for animal food	6.1	11.2	13.6	25.3	34.2
㉙	1402-100	Kapok	93.2	91.2	93.1	91.9	94.0
㉚	2401-120	Leaf tabacco, virginia type, wholly/partially stripped	3.5	4.8	4.2	4.6	1.7
31	2208-100	Ethyl alcohol, denatured spirits (90% or higher)	1.5	4.6	8.2	7.1	6.1
32	7102-221	Diamond, worked, not set or strung, N.E.S.	0.0	0.2	0.3	0.3	0.8
		TOTAL	0.8	0.7	0.8	0.8	0.8

Note: Items with circled numbers are primary products not included in the 8 major primary products for export and derived processed products.

* : For 1980, the total of 02.02-011 and 02.02-019 is shown in 02.02-019.

Source: Japan Tariff Association, Japan Exports & Imports, 1984.

Table 4 Japan's Import of Thailand's Major Export Manufactured Goods (Integrated Circuits, Textile Goods)

(1) Imports from Thailand (unit: 1,000 yen)

	1980	1981	1982	1983	1984
Integrated Circuits	712	240	3906	37059	10937
Textile Goods	10577627	9805772	12000697	9537140	10182665
Total	10578339	9806012	12004603	9574199	10193602
Total Import	256573936	233185023	257425952	242057894	245866396

(2) Share of imports from Thailand by commodity (unit: %)

	1980	1981	1982	1983	1984
Integrated Circuits	0.00	0.00	0.00	0.02	0.00
Textile Goods	4.12	4.21	4.66	3.94	4.14
Total	4.12	4.21	4.66	3.96	4.15
Total Import	100.00	100.00	100.00	100.00	100.00

(3) Total imports of the same commodities (unit: 1,000 yen)

	1980	1981	1982	1983	1984
Integrated Circuits	136332586	149365333	157092218	183264086	264437915
Textile Goods	1209310304	1203506724	1333831940	1129109334	1408209564
Total	1345642890	1352872057	1490924158	1312373420	1672647479
Total Import	31995325202	31464145741	32656302574	30014784056	32321126640

(4) Share of total imports by commodity (unit: %)

	1980	1981	1982	1983	1984
Integrated Circuits	0.43	0.47	0.48	0.61	0.82
Textile Goods	3.78	3.83	4.08	3.76	4.36
Total	4.21	4.30	4.57	4.37	5.18
Total Import	100.00	100.00	100.00	100.00	100.00

(5) Percentage of imports from Thailand to total imports (unit: %)

	1980	1981	1982	1983	1984
Integrated Circuits	0.00	0.00	0.00	0.02	0.00
Textile Goods	0.87	0.81	0.90	0.84	0.72
Total	0.79	0.72	0.81	0.73	0.61
Total Import	0.80	0.74	0.79	0.81	0.76

Note: The goods listed above correspond to the following Japanese CCCN classification.
Integrated Circuits (IC): 85.21-2
Textile Goods: 50-63

Source: Japan Tariff Association, Japan Exports & Imports, 1984.

Table 5 Japan's Import of Thailand's Major Export Primary Commodities

(1) Imports from Thailand (unit: 1,000 yen)

	1980	1981	1982	1983	1984
Paddy	859,147	7,373,610	2,621,013	768,279	840,143
Natural Rubber	97,742,927	81,540,536	64,131,790	72,087,796	78,062,536
Maize	8,967,220	255,668	7,213,149	409,152	272,536
Tapioca Products	3,713,655	3,824,514	4,621,955	3,178,277	5,747,862
Shrimps	15,176,532	16,508,506	21,436,564	17,039,075	13,083,777
Tin	21,015,417	15,473,071	14,179,742	13,351,253	11,309,397
Sugar	15,046,378	8,060,052	18,688,628	29,281,683	17,441,755
Precious Stone	13,633,606	13,078,186	15,310,939	14,767,499	13,341,889
Total	179,151,882	146,114,223	148,211,810	150,883,014	140,105,895
Total Import	256,573,936	233,185,023	257,425,952	242,057,891	215,866,396

(2) Share of imports from Thailand by commodity

	1980	1981	1982	1983	1984
Paddy	0.3	3.2	1.0	0.3	0.3
Natural Rubber	38.1	35.0	21.9	29.8	31.7
Maize	3.5	0.1	2.8	0.2	0.1
Tapioca Products	1.4	1.6	1.8	1.3	2.3
Shrimps	5.9	7.1	8.3	7.0	5.3
Tin	9.4	6.6	5.5	5.5	4.6
Sugar	5.9	3.5	7.3	12.1	7.1
Precious Stone	5.3	5.6	6.0	6.1	5.4
Total	69.8	62.7	57.6	62.3	57.0
Total Import	100.0	100.0	100.0	100.0	100.0

(3) Total imports of the same commodities

	1980	1981	1982	1983	1984
Paddy	1,046,818	7,629,662	7,328,973	918,503	17,869,923
Natural Rubber	147,380,547	117,023,087	87,023,769	118,600,719	125,836,900
Maize	454,052,207	539,357,495	451,236,030	503,429,435	546,737,500
Tapioca Products	4,590,113	4,361,689	4,717,477	3,192,098	5,747,862
Shrimps	250,871,697	282,121,500	313,316,605	320,101,455	321,193,976
Tin	120,211,299	91,054,024	85,652,606	92,009,233	93,859,679
Sugar	287,316,425	170,311,704	127,015,644	102,516,403	78,957,539
Precious Stone	193,421,935	181,338,260	191,031,525	189,931,026	189,293,383
Total	1,458,853,041	1,396,233,421	1,300,312,629	1,330,701,872	1,379,496,762
Total Import	31,995,325,202	31,464,145,741	32,656,302,574	30,014,784,056	32,321,126,643

(4) Share of total imports by commodity (unit: %)

	1980	1981	1982	1983	1984
Paddy	0.0	0.0	0.0	0.0	0.1
Natural Rubber	0.5	0.4	0.3	0.4	0.4
Maize	1.4	1.7	1.4	1.7	1.7
Tapioca Products	0.0	0.0	0.0	0.0	0.0
Shrimps	0.8	0.9	1.1	1.1	1.0
Tin	0.4	0.3	0.3	0.3	0.3
Sugar	0.9	0.5	0.4	0.3	0.2
Precious Stone	0.6	0.6	0.6	0.6	0.6
Total	4.6	4.4	4.0	4.4	4.3
Total Import	100.0	100.0	100.0	100.0	100.0

(5) Percentage of imports from Thailand to total imports

	1980	1981	1982	1983	1984
Paddy	85.4	96.6	35.8	83.6	4.7
Natural Rubber	66.3	69.7	73.7	60.8	62.0
Maize	2.0	0.0	1.6	0.1	0.0
Tapioca Products	80.9	87.6	98.0	99.6	100.0
Shrimps	6.0	5.9	6.2	5.3	4.1
Tin	20.0	16.5	16.6	14.5	12.0
Sugar	5.2	4.7	14.7	28.6	22.1
Precious Stone	7.0	7.2	8.0	7.8	7.0
Total	12.3	10.5	11.4	11.3	10.2
Total Import	0.8	0.7	0.8	0.8	0.8

Note: Eight commodities listed in the above table correspond to the following Japanese CCCN classification.

Paddy : 1006-200, 1006-300, 1006-400

Natural Rubber : 4001-110, 4001-190, 4002-210, 4001-290, 4001-910, 4001-990

Maize : 1005-010, 1005-090

Tapioca Products : 0706-010, 1108-310

Shrimps : 0303-111, 0303-112, 0303-119, 0303-120

Tin : 8001-110, 8001-120, 8001-200, 8002-000, 8003-000, 8004-000, 8006-000

Sugar : 1701-110, 1701-120, 1701-211, 1701-212, 1701-213, 1701-214, 1701-221, 1701-223, 1701-229, 1702-110, 1702-321, 1702-419, 1702-422, 1702-500, 1702-600, 1702-700, 1702-811, 1702-819, 1702-821, 1702-823, 1702-824, 1702-829

Precious Stone : 7102, 7112

Source: Japan Tariff Association, Japan Exports & Imports, 1984.

Table 6 Japan's Import Duties on Thailand's Major Export Primary Commodities (1)

			Basic Tariff Rate	Provisional Tariff Rate	Conventional Tariff Rate	Preferential Tariff Rate (Action Program)	Import System
Rice	10.06-200	Rice, husked (cargorice/brown rice)	(15%)	Tax free			IQ10.06
	10.06-300	Rice (semi- or wholly milled)	(15%)	Tax free			
	10.06-400	Broken rice	(15%)	Tax free			
Rubber	40.01-110	Natural rubber latex	Tax free				
	40.01-190	Other natural rubber latex	Tax free				
	40.01-210	Natural rubber (SP rubber, etc.)	Tax free				
	40.01-290	Natural rubber, N.E.S.	Tax free				
	40.01-910	Natural gums (gutta-percha)	Tax free				
	40.01-990	Natural gums, N.E.S.	Tax free				
Maize	10.05-010	Maize for fodder and feeds	10%		Tax free		
	10.05-090	Maize, N.E.S.	(10%)	Tax free			
Tapica Products	07.06-010	Manioc, fresh or dried	15%		*1.9%		
	11.08-310	Manioc starch	25%				
Shrimps	03.03-111	Shrimp, prawns & lobsters (live)	(10%)	4%	3.1% or 3%		
	03.03-112	Ise-ebi (fresh, chilled or frozen)	(10%)	4%			
	03.03-119	Other shrimps, prawns & lobsters	(10%)	4%			
	03.03-120	Shrimps, prawns & lobsters, N.E.S.	(15%)	6%		*4%	
Tin	80.01-110	Unwrought tin, unalloyed	Tax free				
	80.01-120	Unwrought tin, alloyed	(10%)	8%	3.2%	Tax free	
	80.01-200	Waste and scrap of tungsten	Tax free				
	80.02-000	Wrought bars, rods, angles, etc.	(10%)	8%	3.7%	Tax free	
	80.03-000	Wrought plates, sheets & strips, tin	(10%)	8%	3.7%	Tax free	
	80.04-000	Tin foil	(15%)	6%	4.9%	Tax free	
	80.06-000	Other articles of tin	(20%)	8%	5.8%	Tax free	
Sugar	17.01-110	-	¥63.50/kg				
	17.01-120	Rock candy, cube sugar, etc.	¥63.50/kg				
	17.01-211	-	¥63.50/kg				
	17.01-212	Sugar, uncentri. (less than 86°)	¥41.50/kg				
	17.01-213	Sugar, uncentri. (86 - 98°)	¥41.50/kg				
	17.01-214	Sugar, centrifugal, not refined	¥41.50/kg				
	17.01-221	-	¥63.50/kg				
	17.01-223	Crystal & granulated sugar, refined	(¥51.50/kg)	¥57/kg			
	17.01-229	Beet and cane sugar	(¥51.50/kg)	¥57/kg			
	17.02-110	Grape sugar	35% or ¥27/kg				
	17.02-321	Milk sugar	10%				
	17.02-419	-	¥63.50/kg				
	17.02-422	Other sugar	¥41.50/kg				
	17.02-500	Sugar syrup	35% or ¥27/kg				IQ17.02-5
	17.02-600	Karamel	35%				IQ17.02-6
	17.02-700	Artificial honey	35%				IQ17.02-7
	17.02-811	-	35% or ¥27/kg				IQ
	17.02-819	Other sugar, con. added sugar, NES	35%				IQ
	17.02-821	Other sugar, N.E.S.	35% or ¥27/kg				
	17.02-823	Hi-test molasses	(25%)	5%			IQ
	17.02-824	Hi-test molasses, N.E.S.	25%				IQ
	17.02-829	Other sugar, not con. added sugar	25%				IQ
Precious Stones	71.02-1	Precious & semi-precious stones, unworked	Tax free				
	71.02-211	Diamonds perforated for wire drawing	(15%)	Tax free			
	71.02-212	Diamonds (industrial purposes)	(5%)	4%	Tax free		
	71.02-219	Precious stones (industrial purposes)	(5%)	4%	1.6%	1.3%	
	71.02-221	Diamonds, worked, not set or strung	(10%)	Tax free			
	71.02-229	Precious stones, worked, not set or strung	(10%)	4%	3.2%	Tax free Tax free	
	71.12-010	Articles of jewellery and parts (silver)	(40%)	7.8% or 8.2%		Tax free	
	71.12-021	Chains for watches, etc. (gold)	(40%)	8.2%		Tax free	
	71.12-022	Articles of jewellery and parts (gold)	(40%)	8.2%		Tax free	
	71.12-030	" (gold less than 80%)	(40%)	8.2%		Tax free	
	71.12-090	", rolled precious metals	(40%)	8.2%		Tax free	

Notes:
- o Provisional tariff rate - Tariff rate set forth in Appendix No. 1 of the Provisional Tariff Act (valid until March 31, 1986 for commodities for which no period is specified).
- o Conventional tariff rate - GATT specified tariff rate (Only conventional tariff rates lower than basic and provisional tariff rates are listed.)
- o Preferential tariff rate - Tariff rate for beneficiary countries (See Article 8-3 of the Provisional Tariff Act for the suspension of application.)
- o Since provisional tariff rates are applied to commodities for which basic tariff rates are shown in brackets, these basic rates are actually not applied.)
- o Tariff rates marked * correspond to specially reduced tariff rates listed in Appendix 1-2(B) of the Provisional Tariff Rate Act.
- o Tariff Rates marked with + are listed in the "Fourth Confirmation of the Amendment of the GATT Tariff Table".
- o Tariff rates marked * are exempted for commodities of which the palces of origin are special beneficiary countries.
- o IQ means a non-liberalized commodity, and O means that the application range is limited to some the items in this category.

Source: Boeki Kohosha, Japan Trade News, the Table of Import System by Commodity (in Japanese), 1985/86 Issue.

Table 7 Japan's Import Duties on Thailand's Major Export Primary Commodities (2)

	CCCN		Basic Tariff Rate	Provisional Tariff Rate	Conventional Tariff Rate	Preferential Tariff Rate	(Action Program)	Import System
4	02.02-019	Fowls (fresh, chilled or frozen), N.E.S.	(20%)	18%			14%	
7	03.03-212	Cuttle fish & squid (fresh[live or dead], chilled or frozen)	10%		5%			IQ O
9	03.03-221	Cuttle fish & squid (salted, in brine or dried)	15%					IQ O
11	17.03-219	Molasses, containing not more than 60% by weight of sugar evaluated as sucrose, N.E.S.	¥18/kg					
12	07.05-300	Green beans and other beans (dried) — Green beans	Tax free					
		Other beans	(¥12/kg)	10%				
14	03.01-279	Other fish, frozen (excluding fillets)	(10%)	5%				
15	16.05-239	Cuttle fish & squid, prepared, N.E.S.	(20%)	15%				
16	02.02-011	Legs of fowls, with bone-in (fresh, chilled or frozen)	20%		※11.3%			
17	08.10-020	Pineapple (frozen, not containing added sugar)	(20%)	35%			28%	
18	25.31-100	Fluorspar	Tax free					
19	09.10-200	Ginger (preserved in brine, in sulphur water or in other preservative solutions)	15%					
20	06.03-000	Cut flowers	10%		Tax free	Tax free		
21	26.01-813	Lead ore and concentrates	Tax free					
24	20.06-111	Pineapple, containing added sugar (in can, bottle or pot)	(45%)	55%	30%			IQ
25	16.05-299	Crustaceans and molluscs, prepared	(20%)	12%		*9%	9.6%	
26	07.05-420	Pegin beans (dried)	(¥12/kg)	10%				
27	17.03-212	Molasses for feeding, containing not more than 60% by weight of sugar evaluated as sucrose, N.E.S.	¥18/kg		+※ ¥2.25/kg			
28	23.06-000	Products of vegetable origin of a kind used for animal food	Tax free					
29	14.02-100	Kapok	Tax free					
20	24.01-120	Leaf tabacco, flue cured virginia type, whole or partly stripped	Tax free					

Note: For definitions and symbols, see Table 6.

Source: The same as for Table 6.

Table 8 Japan's Import Duties on Thailand's Major Export Manufactured Goods (Except Integrated Circuits)

	CCCN		Basic Tariff Rate	Provisional Tariff Rate	Conventional Tariff Rate	Preferential Tariff Rate	Import System
8	84.62-110	Ball bearings	(25%)	6%		Tax free	
13	56.07-143	Woven fabrics of synthetic, containing more than 50% but less than 85% of polyester mixed with cotton (excl. dyed goods)	(25%)	10%		*5%	
23	62.03-121	Gunny bags, unused	(23% or ¥24/kg)	16% or ¥16.80/kg		Tax free	
31	22.08-100	Ethyl alcohol, denatured spirits (alcoholic strength of 90% or higher)	(50%)	40%			IQ O

Note: For definitions and symbols, see Table 6.

Source: The same as for Table 6.

Table 9 Japan's Import Duties on Integrated Circuits

CCCN		Basic Tariff Rate	Provisional Tariff Rate	Conventional Tariff Rate	Preferential Tariff Rate	Import System
85.21-2	Diodes, transistors, etc. and semi-conductors related; integrated circuits and light emitting diodes	(15%)				
	- Light emitting diodes					
	- Light emitting diodes					
293	- Cased		9.5%	6.5%	Tax free	
219	- N.E.S.		12%	4.2%	Tax free	
	- N.E.S.		Tax free			
	- Uncased					
211	- Germanium diodes, silicon diodes, germanium transistors, silicon transistors, and silicon diodes for silicon rectifiers					
212	- Integrated circuits					
219	- N.E.S.					
	- N.E.S.					
291	- Germanium diodes					
292	- Silicon diodes					
294	- Germanium transistors					
295	- Silicon transistors					
296	- Silicon diodes for silicon rectifiers					
	- Integrated circuits					
297	- Digital integrated circuits					
298	- Integrated circuits, N.E.S.					
299	- Semi-conductors, N.E.S.					

Source: Japan Tariff Association, Japan Exports & Imports, 1984.

Table 10 Comparison of Import Duties of ASEAN Countries and Developed Countries

		Chicken		Shrimp	Textile with Polyester	Manioc Starch	Pineapple Canning	Ball Bearing
Indonesia		30		30	4~45	32	RP240/kg	3.75
Malaysia		20		0	0~20	10~20	20~35	N.A.
Philippines		24~40		40	32	16	40	7.5~8
Singapore		0		0	0	0	N.A.	0
Thailand		48		48	☆16	☆24	☆48	11.25~12
Korea		30		20	35	30	50	30
Taiwan	Basic	65		65	40~50	☆25	75	10~30
	Conventional	—		—	35~40		45	2.5~20
Japan	Basic	with bones (20)	without bones (20)	(10)	(25)	25	(45)	(25)
	Conventional	11.3	11.3	3	10.4	—	—	73
	Provisional	—	18 (14)	4	10	—	55	6
	Preferential	—	—	—	0	—	—	0
Australia	Basic	0		0	☆☆ 35, 40	$0.04/kg	10~12.5	15~25
	Preferential	—		—	— 30	—	—	0~10
EC	Basic	☆☆ 18		18	19~21	☆☆2.8	23~32	18
	Preferential	—		18	11, 7, 8	—	22~24	9
U.K.	Basic	0		12~18	11.7~11.8	0	24	9
	Preferential	—		—	—	—	—	—
U.S.A.	Basic	3~5 ¢/B		0	☆☆ 8.9~24.3	0	0.38¢/B	☆☆, 4.7~11
	Preferential	0		—	☆☆ 0~19.4	—	0.25¢/B	☆☆, 4.2~6.5

Notes: ☆ : Combined with ad valorem tariff
☆☆ : Added value basis
RP : Rupee (US$1 = Rp.1,025.9 (1984))
B : Box
N.A. : Not Available

Sources: Japan Tariff Association, Customs Tariff Schedule of Japan, 1985.
Practical Guide to ASEAN Preferential Trading Arrangement, Ministry of Trade and Indnstry, Malaysia.
Tariff Schedules of Korea 1985, Korean Tariff Research Institute.
H.M. Customs and Excise Tariff Amendment №6, June 1985, Printed in the U.K for Her Majesty's Stationery Office.
SAUDI ARABIA, Number 62 (4th, Edition), The International Customs Journal.

Table 11 Japan's Direct Investment by Sector and Region: Accumulated Figures, March 1983 (Application-for-approval basis)

(unit: million dollars, %, %)

	North America	Central & South Ame.	Asia	Middle East	Europe	Africa	Oceania	Total
Agriculture, Forestry & Fishery	325	253	327	3	2	72	135	1,117
Mining	846	1,421	5,612	39	859	571	1,325	10,673
Manufacturing	5,241	3,924	6,540	1,225	1,428	179	1,006	19,542
Construction	184	158	143	30	40	20	16	591
Commerce	6,025	698	776	14	1,660	7	467	9,646
Finance & Insurance	2,122	569	403	66	1,720	3	87	4,969
Services, etc.	2,583	3,648	2,375	91	1,154	2,017	507	12,375
Real Estates & Branch	599	59	225	1,185	273	3	17	2,363
Total	17,926	10,730	16,399	2,654	7,136	2,871	3,560	61,276

	North America	Central & South Ame.	Asia	Middle East	Europe	Africa	Oceania	Total Region
Agriculture, Forestry & Fishery	29.1	22.6	29.3	0.3	0.2	6.4	12.1	100.0
Mining	7.9	13.3	52.6	0.4	8.0	5.3	12.4	100.0
Manufacturing	26.8	20.1	33.5	6.3	7.3	0.9	5.1	100.0
Construction	31.1	26.7	24.2	5.1	6.8	3.4	2.7	100.0
Commerce	62.5	7.2	8.0	0.1	17.2	0.1	4.8	100.0
Finance & Insurance	42.7	11.5	8.1	1.3	34.6	0.1	1.8	100.0
Services, etc.	20.9	29.5	19.2	0.7	9.3	16.3	4.1	100.0
Real Estates & Branch	25.3	2.5	9.5	50.1	11.6	0.1	0.7	100.0
Total	29.3	17.5	26.8	4.3	11.6	4.7	5.8	100.0

	North America	Central & South Ame.	Asia	Middle East	Europe	Africa	Oceania	Total Region
Agriculture, Forestry & Fishery	1.8	2.4	2.0	0.1	0.0	2.5	3.8	1.8
Mining	4.7	13.2	34.2	1.5	12.0	19.9	37.2	17.4
Manufacturing	29.2	36.6	39.9	46.2	20.0	6.2	28.3	31.9
Construction	1.0	1.5	0.9	1.1	0.6	0.7	0.4	1.0
Commerce	33.6	6.5	4.7	0.5	23.3	0.2	13.1	15.7
Finance & Insurance	11.8	5.3	2.5	2.5	24.1	0.1	2.4	8.1
Services, etc.	14.4	34.0	14.5	3.4	16.2	70.3	14.2	20.2
Real Estates & Branch	3.3	0.5	1.4	44.6	3.8	0.1	0.5	3.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Ministry of Trade and Industry, The 12th and 13th Reports on Overseas Business Activities of Japanese Enterprises (in Japanese), 1984.

Table 12 Japan's Direct Investment of Manufacturing Subsector: Cumulative application-for-approval basis, 1983

(unit: %)

Sector	North America	Central & South Ame.	Asia	Middle East	Europe	Africa	Oceania	Total Region
Food	45.5	19.1	21.8	0	5.5	1.0	7.1	100.0
Textile	12.1	20.7	55.8	0.2	8.7	2.2	0.3	100.0
Wood & Pulp	47.4	21.0	18.0	–	0	0	13.6	100.0
Chemicals	12.1	16.4	31.2	31.8	5.0	0.5	3.1	100.0
Ferrous & Non-ferrous Metal	12.1	28.7	41.2	1.6	4.7	2.3	9.4	100.0
Machinery	33.0	23.4	29.0	0.8	11.5	–	2.4	100.0
Electrical Machinery	49.1	11.8	27.7	0.5	9.7	0.2	0.9	100.0
Transport Equipment	33.7	26.8	19.2	0.2	6.2	0.4	13.3	100.0
Others	19.9	8.2	49.5	3.1	13.2	0.5	5.6	100.0
Manufacturing Total	25.1	20.3	34.2	6.7	7.0	1.0	5.8	100.0

Source: The same as for Table 11.

Table 13 Direct Investment in Thailand

By country (Balance)	1977	1978	1979	1980	1981	1982
Japan	1.209	1.412	1.407	1.564	1.620	1.678
U.S.A.	543	534	534	578	609	944
EC	414	460	472	532	573	627
U.K.	198	206	215	265	295	334
W. Germany	81	106	110	110	114	120
Netherlands	75	87	87	95	98	103
France	60	61	60	62	66	70
Asian NICs	714	744	787	1.062	1.110	1.180
Taiwan	470	492	534	644	670	702
Hong Kong	199	202	202	353	367	383
Singapore	45	50	51	65	73	95
Total	3.486	3.828	4.091	4.677	4.945	5.259

By country (%)	1977	1978	1979	1980	1981	1982
Japan	34.7	36.9	34.4	33.4	32.8	31.9
U.S.A.	15.6	14.0	13.1	12.4	12.3	18.0
EC	11.9	12.0	11.5	11.4	11.6	11.9
U.K.	5.7	5.4	5.3	5.7	6.0	6.4
W. Germany	2.3	2.8	2.7	2.4	2.3	2.3
Netherlands	2.2	2.3	2.1	2.0	2.0	2.0
France	1.7	1.6	1.5	1.3	1.3	1.3
Asian NICs	20.5	19.4	19.2	22.7	22.5	22.4
Taiwan	13.5	12.9	13.1	13.9	13.6	13.4
Hong Kong	5.7	5.3	4.9	7.6	7.4	7.3
Singapore	1.3	1.3	1.3	1.4	1.5	1.8
Total	82.7	82.3	78.2	79.9	79.2	84.2

(unit: million bahts)

By sector (Balance)	1978	1979	1980	1981	1982
Agriculture	524	551	689	713	737
Mining	999	1.168	1.652	1.736	1.829
Chemicals	955	1.043	1.204	1.264	1.326
Machinery & Electrical Mach.	466	489	770	786	805
Services	334	374	457	485	540
Textile, etc.	1.135	1.189	1.339	1.395	1.456
Total	4.413	4.814	6.111	6.379	6.693

By sector (%)	1978	1979	1980	1981	1982
Agriculture	11.9	11.5	11.3	11.2	11.0
Mining	22.6	24.3	27.0	27.2	27.3
Chemicals	21.6	21.7	19.7	19.8	19.8
Machinery & Electrical Mach.	10.6	10.2	12.6	12.3	12.0
Services	7.6	7.8	7.5	7.6	8.1
Textile, etc.	25.7	24.7	21.9	21.9	21.8

US$1 = ฿20.400 (1977), ฿20.336 (1978)
฿20.419 (1979), ฿20.476 (1980)
฿21.820 (1981), ฿23.000 (1982)

Table 14 Direct Investment to Thailand

(1) Amount invested (US$ million)

	1973	1977	1981	1983	1985
1 Food	16	36	46	49	60
2 Textile	50	80	126	146	177
3 Wood & Pulp	0	2	4	5	7
4 Chemicals	8	17	29	30	40
5 Ferrous & Non-ferrous Metal	9	11	20	30	35
6 Machinery	2	3	11	19	52
7 Electrical Machinery	3	3	7	8	26
8 Transport Equipment	4	9	30	36	40
9 Others	6	10	18	67	71
10 Total	98	171	291	390	507
11 Agriculture & Forestry	2	4	7	10	11
12 Fishery	–	0	1	1	1
13 Mining	4	5	5	5	5
14 Construction	0	2	11	17	24
15 Commerce	9	15	43	58	112
16 Finance & Insurance	2	7	9	10	14
17 Others	8	21	25	26	28
18 Branches	3	3	3	3	8
19 Real Estate	–	1	1	1	1
Total	28	58	105	131	204
Grand Total	126	229	396	521	711

(2) Direct investment in Thailand as a percentage of total direct investment in ASEAN (ASEAN total = 100)

	1973	1977	1981	1983	1985
1 Food	53.3	42.4	39.7	36.0	37.0
2 Textile	35.2	17.6	20.8	21.8	21.2
3 Wood & Pulp	0.0	2.0	3.2	3.5	4.2
4 Chemicals	40.0	15.6	7.0	4.6	4.5
5 Ferrous & Non-ferrous Metal	22.0	6.0	2.2	2.2	2.3
6 Machinery	16.7	6.1	6.8	8.0	14.8
7 Electrical Machinery	10.0	3.3	2.9	2.7	6.9
8 Transport Equipment	13.8	7.6	12.5	11.8	9.3
9 Others	15.4	5.4	4.9	15.1	14.4
10 Total	26.4	12.5	9.1	9.2	9.8
11 Agriculture & Forestry	3.4	3.7	4.2	5.4	5.8
12 Fishery	–	0.0	1.6	1.4	1.4
13 Mining	1.4	0.2	0.2	0.1	0.1
14 Construction	0.0	10.0	18.6	22.1	22.0
15 Commerce	52.9	36.6	34.1	28.9	34.3
16 Finance & Insurance	3.0	7.1	8.1	7.8	6.8
17 Others	23.5	11.7	8.0	6.1	5.0
18 Branches	33.3	15.0	6.7	5.4	11.0
19 Real Estate	–	8.3	5.6	5.6	5.3
Total	5.8	2.3	2.7	2.0	2.8
Grand Total	14.8	5.8	5.6	4.9	5.7

(3) Percentage of total direct investment for each industrial sector (%)

	1973	1977	1981	1983	1985
1 Food	12.7	15.7	11.6	9.4	8.4
2 Textile	39.7	34.9	31.8	28.0	24.9
3 Wood & Pulp	0.0	0.9	1.0	1.0	1.0
4 Chemicals	6.3	7.4	7.3	5.8	5.6
5 Ferrous & Non-ferrous Metal	7.1	4.8	5.1	5.8	4.9
6 Machinery	1.6	1.3	2.8	3.6	7.3
7 Electrical Machinery	2.4	1.3	1.8	1.5	3.7
8 Transport Equipment	3.2	3.9	7.6	6.9	5.6
9 Others	4.8	4.4	4.5	12.9	10.0
10 Total	77.8	74.7	73.5	74.9	71.3
11 Agriculture & Forestry	1.6	1.7	1.8	1.9	1.5
12 Fishery	–	0.0	0.3	0.2	0.1
13 Mining	3.2	2.2	1.3	1.0	0.7
14 Construction	0.0	0.9	2.8	3.3	3.4
15 Commerce	7.1	6.6	10.9	11.1	15.8
16 Finance & Insurance	1.6	3.1	2.3	1.9	2.0
17 Others	6.3	9.2	6.3	5.0	3.9
18 Branches	2.4	1.3	0.8	0.6	1.1
19 Real Estate	–	0.4	0.3	0.2	0.1
Total	22.2	25.3	26.5	25.1	28.7
Grand Total	100.0	100.0	100.0	100.0	100.0

Source: Ministry of Finance, Finance Monthly (in Japanese).

Table 15 Average Investment Size of Direct Investment in Thailand

(unit: 1,000 bahts)

Ranking/ Country	1 Japan	2 U.K.	3 Taiwan	4 U.S.A.	5 India	6 Hong Kong	7 Portugal	8 Singapore	9 W. Germany	10 Malaysia	Others	Total
Agro-processing	20,519	11,615	10,540	19,226	15,000	8,000	44,000	24,667	14,522	31,167	18,875	17,900
Metal & Non-metal Mineral Products	61,560	103,192	62,500	41,918	214,089	28,200	15,000	23,875	61,025	22,500	117,073	74,548
Chemicals	67,690	96,267	59,167	53,178	50,875	30,800	48,000	30,000	12,100	–	109,020	71,085
Machinery	28,298	14,563	17,714	10,312	–	12,000	–	56,667	6,250	8,000	19,983	22,620
Other Products	45,248	43,306	12,914	72,286	44,643	16,726	133,431	20,563	15,250	35,600	43,598	38,111
Services	42,264	93,196	15,000	28,152	–	70,282	20,000	131,185	8,000	17,714	41,662	48,215
Total	41,640	59,191	28,409	33,676	85,950	28,550	92,418	36,015	28,042	25,911	59,240	43,777
Average investment ratio (%)	38.0	18.1	9.9	30.2	8.0	26.8	2.9	23.1	22.5	17.7	–	–

US$1 = ฿27.093 (December, 1984)

Source: BOI.

Table 16 Direct Investment in Thailand

(unit: 1,000 bahts[1], number)

Sector \ Ranking/Country	1 Japan	2 U.K.	3 Taiwan	4 U.S.A.	5 India	6 Hong Kong	7 Portugal	8 Singapore	9 West Germany	10 Malaysia	Others	Total
Agro-processing	533,500	116,150	210,799	307,615	15,000	48,000	44,000	148,000	130,700	280,500	528,502	2,362,766
	(26)	(10)	(20)	(16)	(1)	(6)	(1)	(6)	(9)	(9)	(28)	(132)
Metal & Non-metal Mineral Products	1,539,000	1,341,500	1,062,500	503,020	1,070,443	141,000	15,000	95,500	488,200	135,000	2,107,320	8,498,483
	(25)	(13)	(17)	(12)	(5)	(5)	(1)	(4)	(8)	(6)	(18)	(114)
Chemicals	1,353,796	577,500	710,000	478,600	407,000	154,000	96,000	60,000	48,400	-	2,725,500	6,610,896
	(20)	(6)	(12)	(9)	(8)	(5)	(2)	(2)	(4)	(-)	(25)	(93)
Machinery	1,301,690	72,815	124,000	123,740	-	36,000	-	170,000	25,000	8,000	219,810	2,081,055
	(46)	(5)	(7)	(12)	(-)	(3)	(-)	(3)	(4)	(1)	(11)	(92)
Other Products[2]	1,764,675	909,434	374,500	506,000	312,500	418,150	934,020	164,500	61,000	178,000	1,351,530	6,974,309
	(39)	(21)	(29)	(7)	(7)	(25)	(7)	(8)	(4)	(5)	(31)	(183)
Services	211,320	652,370	75,000	168,910	-	773,100	20,000	262,370	16,000	124,000	541,600	2,844,670
	(5)	(7)	(5)	(6)	(-)	(11)	(1)	(2)	(2)	(7)	(13)	(59)
Total	6,703,981	3,669,869	2,556,799	2,087,885	1,804,943	1,570,250	1,109,020	900,370	869,300	725,500	7,464,262	29,462,179
	(161)	(62)	(90)	(62)	(21)	(55)	(12)	(25)	(31)	(28)	(126)	(673)

US$1 = ฿27.093 (December 1984)

Notes: o Total registered investment (excluding land costs and operating costs). Therefore, there are cases where the actual investment balance is small according to the investment ratio. Note that the figures are counted twice when direct investments by two or more countries are made in a joint venture.

o Fibres, clothes, wooden products and other sundry goods are included.

Source: BOI.

Table 17 The Structure of Direct Investment in Thailand
(As of December 1984)

(unit: %)

Sector \ Ranking/Country	1 Japan	2 U.K.	3 Taiwan	4 U.S.A.	5 India	6 Hong Kong	7 Portugal	8 Singapore	9 West Germany	10 Malaysia	Others	Total
Agro-processing	22.6	4.9	8.9	13.0	0.6	2.0	1.9	6.3	5.5	11.9	22.4	100.0
	(8.0)	(3.2)	(8.2)	(14.7)	(0.8)	(3.1)	(4.0)	(16.4)	(15.0)	(38.7)	(7.1)	(8.0)
Metal & Non-metal Mineral Products	18.1	15.8	12.5	5.9	12.6	1.7	0.2	1.1	5.7	1.6	24.8	100.0
	(23.0)	(36.6)	(41.6)	(24.1)	(59.3)	(9.0)	(1.4)	(10.6)	(56.2)	(18.6)	(28.2)	(28.8)
Chemicals	20.5	8.7	10.7	7.2	6.2	2.3	1.5	0.9	0.7	-	41.2	100.0
	(20.2)	(15.7)	(27.8)	(22.9)	(22.5)	(9.8)	(8.7)	(6.7)	(5.6)	(-)	(36.5)	(22.4)
Machinery	62.5	3.5	6.0	5.9	-	1.7	-	8.2	1.2	0.4	10.6	100.0
	(19.4)	(2.0)	(4.8)	(5.9)	(-)	(2.3)	(-)	(18.9)	(2.9)	(1.1)	(2.9)	(7.1)
Other Products	25.3	13.0	5.4	7.3	4.5	6.0	13.4	2.4	0.9	2.6	19.4	100.0
	(26.3)	(24.8)	(14.6)	(24.2)	(17.3)	(26.6)	(84.2)	(18.3)	(7.0)	(24.5)	(18.1)	(23.7)
Services	7.4	22.9	2.6	5.9	-	27.2	0.7	9.2	0.6	4.4	19.0	100.0
	(3.2)	(17.8)	(2.9)	(8.1)	(-)	(49.2)	(1.8)	(29.1)	(1.8)	(17.1)	(7.3)	(9.7)
Total	22.8	12.5	8.7	7.1	6.1	5.3	3.8	3.1	3.0	2.5	25.3	100.0
	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)

Note: Figures in brackets show percentages for each country.

Source: BOI.

Table 18 Export Structure of Japanese Enterprises

(unit: million bahts)

Sector	1973	1983	Percentage of Export to Japan
Textile	466 (114)	2,165 (432)	20 %
Automobile	5 (1)	68 (15)	22 %
Iron & Steel	81 (-)	- (-)	-
Food	18 (5)	380 (22)	5 %
Chemicals	32 (4)	138 (3)	2 %
Electrical Machinery	16 (5)	193 (-)	-
Others		303 (108)	36 %
Total	618 (129) 21%	3,247 (580)	15 %

US$1 = ฿20.619 (1973), ฿23.000 (1983)

Note: Figures in brackets show amounts of exports to Japan.

Source: The same as for Tabl3 19.

Table 19 Supply Structure of Materials and Intermediate Goods of Japanese Enterprises

(unit: million bahts, %)

	1973			1983		
	Imports from Japan (CIF)	Local Procurement	Import from Third Countries	Imports from Japan	Local Procurement	Imports from Third Countries
Textile	621 (37.5)	540 (32.6)	497 (29.9)	1,289 (31)	1,701 (41)	(28)
Automobile	1,077 (60.0)	696 (38.8)	22 (1.2)	3,137 (50)	2,969 (38)	(12)
Iron & Steel	864 (64.8)	220 (16.5)	249 (18.7)	1,216 (81)	178 (12)	(7)
Food	6 (5.8)	98 (94.2)	- (-)	48 (7)	582 (85)	(8)
Chemicals	147 (50.7)	114 (39.3)	29 (10.0)	319 (25)	407 (32)	(43)
Electrical Machinery	190 (64.6)	85 (28.7)	17 (6.5)	1,276 (40)	1,532 (48)	(12)
Others				338 (36)	576 (61)	(3)
Total	2,905 (53.1)	1,753 (32.0)	816 (14.9)	7,623 (43)	7343 (41)	(16)

US$1 = ฿20.619 (1973), ฿23.000 (1983)

Source: Japanese Chamber of Commerce (Bangkok), "Sixth Survey Report on the Contributions of Japanese Enterprises (Manufacturing) to the Thai Economy, 1976" (in Japanese) and "Ninth Survey Report of Japanese Enterprises, 1984" (in Japanese).

Table 20 Ratios of Origins of Goods Purchased by Corporations in Various Sectors by Geographical Region

Region		Agri., Forestry and Fishery	Mining	Manufacturing	Food	Textile	Wood and Pulp	Chemicals	Iron and Steel	Non-ferrous Metal	Machinery	Electrical Machinery	Transport Equipment	Precise Machinery	Others	Commerce	Others	Total
North America	Local Procurement	99.8	100.0	54.3	98.4	98.7	100.0	93.9	61.9	74.0	29.6	22.3	34.2	3.7	51.8	41.5	47.8	42.3
	Imports from Third Countries			5.0		1.1				8.9	2.7	4.9	3.3	1.9	5.3	15.9		15.2
	Imports from Japan	0.2		40.7	1.6	0.2		6.1	38.1	17.1	67.7	72.8	62.5	94.5	42.8	42.6	52.2	42.5
Central & South America	Local Procurement	74.1		48.0	92.6	87.6	100.0	69.1	66.4	36.1	20.3	46.5	44.7	37.7	85.5	22.7	66.7	28.1
	Imports from Third Countries	4.0		13.8		11.1		21.9	29.9	63.9	0.1	0.7	6.3	7.5	6.7	43.7	25.0	37.9
	Imports from Japan	21.9		38.1	7.4	1.3		9.0	3.7		76.6	52.8	49.0	54.7	7.8	33.6	8.2	34.0
Asia	Local Procurement	91.8	98.4	51.9	93.4	60.5	61.4	56.5	28.9	72.7	46.7	44.5	53.7	33.9	59.3	17.1	92.1	27.3
	Imports from Third Countries	2.1		12.4	4.9	21.6	37.5	15.1	19.7	9.2	5.1	11.1	1.9	15.5	10.1	61.2	3.7	47.6
	Imports from Japan	6.1	1.6	35.7	1.7	17.9	1.1	28.4	51.4	18.1	48.2	44.4	44.3	50.6	30.6	21.6	4.3	25.1
Middle East	Local Procurement		100.0	15.5		28.3			10.0		5.0		60.0		56.5	45.7	20.7	42.6
	Imports from Third Countries			51.9					90.0				30.0		23.8	10.2	1.3	13.2
	Imports from Japan			32.6		71.7					95.0	100.0	10.0		19.7	44.1	78.0	44.2
Europe	Local Procurement			19.9	85.9	33.0		39.6		100.0	26.2	13.3	1.0	2.6	55.1	16.6	56.1	16.9
	Imports from Third Countries			19.2		22.7		45.5	70.0		9.9	6.5		6.9	12.4	24.4	14.1	24.0
	Imports from Japan			60.9	14.1	44.3		14.9	30.0		63.9	80.2	99.0	90.5	32.5	59.1	29.8	59.1
Oceania	Local Procurement	53.8	100.0	20.9	100.0	93.9	97.1	79.7		100.0	37.8	9.4	3.7		100.0	55.7	48.2	52.3
	Imports from Third Countries	0.2		2.3		5.9	1.7					10.6		75.0		12.3	22.8	10.6
	Imports from Japan	46.0		76.7		0.2	1.2	20.3			62.2	80.0	96.2	25.0		32.0	29.1	37.1
Africa	Local Procurement	87.3	81.2	40.4		62.0		100.0	19.6			4.5			36.4	5.1	100.0	24.9
	Imports from Third Countries		2.6	25.8		32.4			10.6	100.0					52.5	2.8		11.5
	Imports from Japan	12.7	16.2	33.8		5.6			69.7			95.5			11.1	92.2		63.6
Total Region	Local Procurement	86.5	96.0	47.7	95.3	66.9	90.1	63.1	36.4	70.4	28.4	33.0	35.2	25.1	57.8	33.9	65.8	35.9
	Imports from Third Countries	0.8	0.6	11.1	2.3	19.5	9.5	14.8	28.9	14.9	2.6	7.9	2.1	12.2	9.9	26.2	8.5	24.2
	Imports from Japan	12.7	3.4	41.2	2.4	13.7	0.5	22.1	34.7	14.7	69.0	59.1	62.7	62.7	32.3	39.9	25.7	39.8

Calculation: $\frac{\Sigma \text{ Purchase amount (local from third countries/from Japan)}}{\Sigma \text{ (Local purchase amount + Purchase amount from third countries + Purchase amount from Japan)}}$

Source: The same as for Table 11. Data are based on the survey of 1981.

Table 21 Results of Japan's Economic Cooperation to Thailand

	1979	1980	1981	1982	1983	1984
Total governmental development aid to Thailand (US$ million)	179.86	189.55	214.47	170.32	248.12	232.0
Percentage of grants in aid (%)	14.7	16.5	15.6	15.9	17.0	21.6
Total bilateral governmental development aid to the world (US$ million)	21.22	1,960.80	2,260.41	2,367.33	2,425.23	2,427.0
Percentage of Thailand (%)	9.3	9.6	9.4	7.1	10.2	9.4

Source: Ministry of Trade and Industry, "Present Situations and Problems of Economic Cooperation, 1984" (in Japanese). Data for 1984 are based on the DAC materials.

Table 22 Weight of Thailand in Overseas Economic Relationship

(unit: million US$)

①	Govermental development aid to Thailand	232.0	(1984)
②	Governmental development aid to the world	2,470.0	
③	①/②(%)	9.39	
④	Total of export to/import from Thailand	3,057	(1985)
⑤	Total of export to/ import from the world	3,305,177	
⑥	④/⑤(%)	1.00	
⑦	Direct investment balance to Thailand	521	(Total of 1951-82)
⑧	Direct investment balance to the world	53,131	
⑨	⑦/⑧(%)	0.98	

Sources : ①, ② : DAC data.
④, ⑤ : Japan Tariff Association, The Summary Report on Trade of Japan.
⑦, ⑧ : The same as for Table 14.

Table 23 Amount Received by Thailand for Economic Aid

(unit: million US dollars)

	1960~1970					1971~81					1971				
	ODA Loans	ODA Grants	Technical Assistance Grants	ODA Total	Total of Official Fund Received	ODA Loans	ODA Grants	Technical Assistance Grants	ODA Total	Total of Official Fund Received	ODA Loans	ODA Grants	Technical Assistance Grants	ODA Total	Total of Official Fund Received
Japan	180	389		568		6699	2729	1407	9428		119	36	34	155	
U.S.A.	383	2988		3711		340	1530	1210	1870		30	300	310	330	
EC	555	224		780		1820	1784	1368	3604		08	66	65	74	
Others	131	246		377		3105	4410	2979	7515		01	109	73	111	
Total	1249	3847		5436		11964	10453	6964	22417		158	511	482	670	
	1972					1973					1974				
	ODA Loans	ODA Grants	Technical Assistance Grants	ODA Total	Total of Official Fund Received	ODA Loans	ODA Grants	Technical Assistance Grants	ODA Total	Total of Official Fund Received	ODA Loans	ODA Grants	Technical Assistance Grants	ODA Total	Total of Official Fund Received
Japan	110	45	37	155		126	51	50	176		125	65	51	190	
U.S.A.		240	230	240		60	190	200	250		70	120	140	190	
EC	04	80	77	83		51	85	83	137		155	100	100	254	
Others		101	89	101		02	106	78	108		13	147	112	160	
Total	114	466	433	579		239	432	411	671		363	432	403	794	
	1975					1976					1977				
	ODA Loans	ODA Grants	Technical Assistance Grants	ODA Total	Total of Official Fund Received	ODA Loans	ODA Grants	Technical Assistance Grants	ODA Total	Total of Official Fund Received	ODA Loans	ODA Grants	Technical Assistance Grants	ODA Total	Total of Official Fund Received
Japan	367	77	56	444		400	83	83	483		431	153	111	584	594
U.S.A.		140	90	140		30	70	50	100		30	50	40	80	540
EC	80	97	95	177		47	101	93	148		62	117	106	179	263
Others	28	214	183	242		68	1001	196	1070		278	323	266	601	1627
Total	475	528	424	1003		545	1255	422	1801		801	643	523	1444	3024
	1978					1979					1980				
	ODA Loans	ODA Grants	Technical Assistance Grants	ODA Total	Total of Official Fund Received	ODA Loans	ODA Grants	Technical Assistance Grants	ODA Total	Total of Official Fund Received	ODA Loans	ODA Grants	Technical Assistance Grants	ODA Total	Total of Official Fund Received
Japan	865	261	200	1127	1272	1453	430	201	1883	1888	1266	702	262	1969	2758
U.S.A.	40	60	40	100	180	20	60	40	80	970	20	150		170	450
EC	47	131	118	177	279	422	355	150	777	931	532	310	249	841	884
Others	773	583	468	1356	2988	730	621	490	1350	3212	733	621	521	1354	3964
Total	1725	1035	826	2760	4719	2625	1466	881	4090	7001	2551	1783	1032	4334	8056
	1981														
	ODA Loans	ODA Grants	Technical Assistance Grants	ODA Total	Total of Official Fund Received										
Japan	1437	826	322	2262	2366										
U.S.A.	40	150	70	190	230										
EC	412	342	232	754	1458										
Others	479	584	503	1063	4612										
Total	2368	1902	1127	4269	8666										

Source: OECD, Geographical Distribution of Financial Flows, various issues.

PART II

Export Industries and Export Promotion Policies of Thailand

I. Introduction

It has been widely acknowledged that export promotion policies lead to favourable results while import substitution policies produce ill symptions which linger on in the economic system.[1] Thailand has only embarked upon the export promotion since 1976. Prior to that period exports grew quite rapidly without any systematic encouragement by the government or its policies. It must be noted that the growth of exports under the IS regime is possible and in many instances exports which could survive the IS regime prove to be successful under all incentive systems. Inherent disincentives which unintentionally were built in cannot offset the strong comparative cost advantage. On the demand side, strong export capability has been found to require the international demand as a booster. Though this study is not steeped in theoretical framework, it is intended to investigate important issues as follows:

(1) the appropriate fiscal and monetary policies to promote general exports; and

(2) the appropriate framework to promote individual commodity which is not contrary to (1).

The first issue deals with the macroeconomic policies in general which can dictate the general climatic condition. The second issue attempts to find a sectoral approach to complement the general approach. Each issue has been often treated as separate issues since they are dealt with in isolated manner. As we found in many works (such as OECD and NBER studies) it is the general policies which set the overture for the sectoral

approach.[2] These issues are not contradicting one another as we shall find out. They merely reflect the smoothness of implementation of both policies and sometime due to the lack of synchronisation of both policies exports suffer.

In order to be able to deal with the above issues in an enlightened manner, the study consists of 4 parts. They include a brief analysis of growth and change of exports of Thailand since 1970's presented in the next section. The outcome of the first part indicates that Japan is the most significant partner of Thailand as far as imports goes. This section attempts to assess the exports of the Thai economy using the constant - market - share approach. Trade conflicts have often involved Thai - Japan trade flows, and here the analysis should throw some lights on the existing disputes. The third section embarks upon the analysis of general export policies along with a close look of individual commodities this section shall be 'global' in its evaluation and does not focus on the major importers. The study ends with the suggested recommendations based on the analyses outlined above.

II. Growth and Structural Change of Thai Exports

So much has already been written on how Thailand launched her national economic plan in the 1960's to set the country on the industrialized path, it is not necessary to rewrite the impact of the structural change during the 1960's. It suffices to state that the resultant change which took place in the 1970's bear the mark of the 1960's. Throughout the history of Kingdom the exportation of primary products (food items and mineral ores) has been the bread and butter of the economy. By the early 1970's, food items

remain a significant earner of foreign exchange as ever. This can be seen clearly in Table 1 that the share of food (SITC 0) remains more or less the same as in the 1960's. This category even went over the 55 mark by the mid 1970's before tapering off to the 40 level by the early 1980's. Its share in 1984 stood at 49.35 per cent. The upsurge of percentage share of food and live animals in 1975 is not out of place because following the first oil crisis, terms of trade of commodities rocketed in 1975. There were strong international demands for various commodities. Mineral ores (both in unprocessed and processed forms) had a big share in the overall export value of 1960's; and in some instances, its share outpaced that of the food items. By 1970's its percentage share contracted markedly from the 40 level in the 1960's to 28.95 per cent in 1970. For the last fourteen years, the share of the crude materials gradually declined. The 1984 figure shows that the share of SITC 2 remains only a quarter of the 1960 figure. The repercussion of the industrialization began to show positive signs around the early 1970's. From a small base in 1960's, SITC 6 and 8 which consist of manufactured goods gained a momentum in 1970. The 1970 saw the contribution of manufactures at 14.90 per cent. Over a period of decade, the percentage share went up by a factor of ten. After two decades, the share of these manufactured exports shot up to 28.49. Based on the statistics of Table 2, we can confirm that manufactured exports really accelerated during the 1961-66 period. During the 1972-1980 period this growth rate was quite substantial.

Though Thailand's trading partners consist more than 100 countries around the world, only 8 nations are considered to be major importers of Thai products (see Table 3). From the 1970's onward, Japan, the US and the Netherlands are ranked in the top three countries. Japan's share of exports in 1971 was 25.30 per cent. In the same year, the US had a 12.86 share with the share of the Netherlands at 8.25 per cent. In 1975 the share of Japan remained slightly above that of 1971, the shares of the US and the Netherlands were in the 9 per cent range. At the beginning of 1980's, the combined share of the three countries totalled 41.63 per cent. Again the share of Japan led the league. Nonetheless it is noticeable that between the 1975-1980 period Japan's imports from Thailand in terms of percentage share declined to 15.31 per cent. The share of the Netherlands for the first time exceeded that of the US. Not that the share of the US had declined by any means, but the tapioca products went to the Netherlands at an increasing rate. Apart from these there countries Thai partners tend to include Hong Kong, Singapore and Malaysia. Both Hong Kong, Singapore are different from the rest of LDCs. Fiscal incentives prevailing in Thailand encourage the outflows of goods (e.g. textile materials) to both ports. An earlier study by AJANANT, Spreafico and Thaniya (1985) found that the exports of fabrics to Hong Kong was considerable. Hong Kong and Singapore also hold a decisive edge over Thailand as trading and financial intermediaries. Products of Thailand have often been imported into the two countries and re-exported once more to other destinations. Before 1975 both ports serve as the entrepot for goods reaching China PRC. Today, products bought by Indochinese states are arranged by machants in both nations. In addition, we have found that the marine navigation factor can determine the significance of the two countries.

Thailand's main port at Bangkok is not fully containerized and vessels of over 60,000 DWT do not accommodate Thai products there major shipping companies locate their connecting points in Hong Kong and Singapore. It is extremely difficult to estimate the actual exports to these countries. Because goods consigned to Hong Kong and Singapore may or may not appear in the customs books as final imports. The case of Malaysia as a major importer of Thai products lies with the geographical proximity of Thailand and Malaysia. This proximity has been stimulated by the mode of transportation. Thai rice approximating 200,000 to 300,000 metric tons is bought by Malaysia annually. Because of the value of good grade rice (i.e. 100 per cent rice) is sizable and storage fee is low Malaysia remains an outlet of Thai products.

This overall picture of destination has been further assessed using the data prepared by UNCTAD. (see Table 4) The data are single-digit SITC and they serve us the purpose to show the breakdown of commodities to various destinations. In the SITC 0, Japan was the second most important market in 1970 followed by EEC. Developing countries were the most important because of the food exports from Thailand. Rice is exported to many developing countries in every continent. Looking at the group of OECD countries, EEC countries began to import more from Thailand around the mid-1970's. By 1984, EEC was the most significant importer of SITC 0. The growth of Japan's imports of Thai food item has been somewhat slow in the early 1980's. The exports of tapioca pellets (CCCN 06.07) account for more than one half of export value to the EEC countries.

In the SITC 1, the EEC countries have alway been the most important market for Thai exports. Thai tobacco leaves form the bulk of this category. Japan's import has not been significant due to the state monopoly of import of tobacco in Japan. The tobacco (mainly the virginia variety) is grown and later contracted to sell to buying

agents who operate out of Europe mainly. A smaller amount is used as a filler in the US. Thus the EEC is the most important buyer of this category.

Mineral ores of commercial values have always form a sizable proportion of Thai exports. Japan by far is the leading importer of Thai minerals, followed by the US. Wolfram and tin are the main exports to Japan. At the same time, the US not only imports the usual non-ferrous ore such as tin, she also import higher valued items such as tantalum, columbite and barite. The first two are produced after tin has been processed and they are valuable in the metalurgical advance made by the US space programme. Barite is used mainly in the oil exploration. The drilling of oil requires the use of barite along with the other equipment because barite is heavier than oil.

Within the SITC 6 and 8 (manufactured good and thereof) the US has been consistent in importing from Thailand. In 1970, the export to the US accounted for about 50 per cent of the total export value of SITC 6. By 1977, the US imported from Thailand just about doubled that of the 1970 value. In the same year the export to the EEC countries grew by a factor of eight, and its value exceeded that of the US. By 1984, the exports of manufactures to the EEC represented the most important portion of the SITC 6. The US share of SITC 6 in 1984 stood at the second position again. Among all the OECD countries, the export of manufactures to Japan grew at a slower rate. By 1977 Japan had reduced her manufactured import in terms of percentage share Japan's import of manufacturesfrom Thailand finished at $135,601 thousands in 1984.

III. The Constant Market Share Analysis of Thai Export to Japan

Having seen that the export of Thailand to Japan consists mainly of primary products (food and mineral ores), it is appropriate to proceed to evaluate the export of Thailand to Japan. The Thai-Japan bilateral relationship has been favourable to Japan for many years. In fact, the trade friction which arouse between the two countries stemmed from the trade imbalance. Since 1974, the Japanese attitude toward Thailand has been cooperative. But the imbalance in terms of trade value remains thorn in the flesh. The bilateral trade relations have been grossly misunderstood and in order to present an account of the export performance to Japan we use the constant-market-share-analysis (CMS) for the purpose.[13]

The model of CMS is written as follows:

$$\sum_i (X_{i2} - X_{i1}) = r \sum_i (X_{i1}) + \sum_i (r_i - r) X_{i1} + \sum_i (X_{i2} - X_{i1} - r_i X_{i1})$$

where

X_{i1} = value of Thailand's export of commodity i to Japan in period 1;

X_{i2} = value of Thailand's export of commodity i to Japan in period 2;

r = percentage increase in Japan's total imports from period 1 to period 2; and

r_i = percentage increase in Japan's imports of commodity i from period 1 to period 2.

The equation as written represent a 'two-level' analysis in which an actual increase in Thailand's exports to Japan is attributable to:

1) the general increase a Japan's total imports or a "Japanese demand effect" indicating Thailand's earnings would have been if Thai export share is maintained;

2) a commodity composition effect indicating Thailand's ability to concentrate on export for which Japan's demand is buoyant. Negative values imply that Thailand has concentrated in slowly growing commodities; and

3) a competitiveness effect indicates the divergence between actual growth and that which would have been realized if Thailand maintained has share of export of each commodity group. A negative value would imply that Thailand's competitiveness in term of price and other non-price factors has deteriorated.

The results of the CMS exercise using the data for the period 1961-1983 with further trucnation for 1961-1971, 1971-1976, 1976-1981 and 1981-1983 use presented in Table 5. Between the period 1961-1971, the Japanese demand effect is for primary products and this is true for every period. However, the commodity composition effect indicates that Thailand concentrated on slow growing market, and the competitiveness turned negative. As for the manufactured products, the demand effect, commodity composition effect and competitiveness effect are positive. It is notable that all effects with the exception of the competitiveness effect are of low positive values.

During the 1971-1976 period, the demand effect and commodity composition effect are positive for the primary products. The competitiveness effect is negative; however, the demand effect for the manufactured products has gained a sizable share. Nonetheless, the products found their way into slowly growing market, but the competitiveness of

manufacture remained positive. For the period 1976-1981, the demand effect shows even a higher positive value for the primary products with negative values for the commodity composition and competitiveness effects. The manufactured exports had positive values for the demand effect and composition effect. However, the Thai exports have been uncompetitive. The emphasis on primary products continued into the latter period (1981-1983). Positive values for demand and composition effects and negative value for the competitiveness effect are recorded in the Thai primary exports. The demand effect for the manufactures improved during this period, With both negative values for the composition and competitiveness effect.

The overall pattern indicates that the growth of Japanese demand was significantly more favourable to primary products than to manufactured exports from Thailand throughout the period 1961-1983. Another remarkable feature is that Thailand's loss of competitiveness, particularly in the last two periods of 1976-1981 and 1981-83. This loss resulted in lower gains in Thai exports to Japan. The loss of competitiveness of primary products appears to be more serious than that of manufactured goods.

At the risk of some oversimplification, the Japanese demand effect can be treated as an external factor. The competitiveness effect is more closely associated with supply conditions. The commodity effects involves both external and internal factors. Based on the results of CMS, it is not unreasonable to conclude that the internal factors (competitiveness) pose the most serious obstacle to the growth of Thai export to Japan.

IV. Export Promotion Policies of Thailand

There are two levels of analysis involving the export promotion policies. These are:

(1) the general macro-economic policies; and

(2) the micro aspect of export promotion policy.

The General Macro-economic Policies

It must be understood that the general macro-economic policies are regarded as pro-trade (or anti-trade) when the policies are conducive to trade. Many studies on export promotion including some conducted by the present author reveals vividly that the macro-economic policies set the tone of the guideline which the economy should move.[14] From the beginning of the 1970's there was already a strong signal that manufactured exports would gain a significant share of the total export value. As the world demand became intense, the outflows of export began to move its presence felt. The exports which occurred during this decade must be regarded as residual of production minus domestic consumption. This feature of Thai exports permeatesevery product. The general tendency to base our exports on this premise stemmed from the import-substitution policy of the earlier period. The inertia of IS regime implies that exports must offset the deaa weight built-into the system.

The general macro-economic policies comprise of 3 sub-policies. (a) fiscal policy (b) monetary policy and (c) exchange rate policy. In order to evaluate the inclination of these policies on exportability of Thai products, we have to scrutinize each sub-policy.

From the 1960's up to 1980-a span of 20 years-Thai economic policy was based on the fiscal policy (revenue and expenditure mancuver) predominantly. Monetary and exchange rate policies have been in the subjective sphere. Policy-maker shy away from engaging in the implementation of the monetary policy for good reasons. First, it is a belief

that the Bank of Thailand cannot control the money base via its own operational tools. Money and capital markets have not shown their maturity to lend a hand to the full operation of the open-market operations, a usual tool by the Western central bankers. Second, the shortage of domestic financial resource (i.e. investment saving gap) implies that funding operations by commercial banks take place at all times, especially when the domestic cost of borrowing from the public is higher than the libor rate by a full percentage point. The Bank of Thailand cannot control this fluid flow of funds, leading to an unstable money supply pattern when the differential rates exist. Therefore, the Bank of Thailand is left with the discount rate which it uses to change the economic performance of the economy. The Bank of Thailand is seen as a passive entity in the macro-economic management. Instead of leading the commercial banks, it has played a quiet role of central banker and prefers to play a defensive role.

The external account plays a great role in Thai economy as far as the foreign sector is concerned. While the trade side is well established, the exchange rate policy remains a mystery to everyone. Before the 1970's, it is inconceivable to discuss the rate of exchange since it has been established that the par value of Thai baht to US dollar is fixed. When in 1973 the world monetary system went from the dollar system to a more flexible one, Thailand was not following the pattern of other LDCs. Bank of Thailand argued that the floating of the Thai currency (i.e. changing from the dollar regime) would not benefit the economy. Regardless of the US dollar value vis-a-vis other trading currencies, the baht was fixed against the dollar. Fixing the baht has some good points and bad points. When the dollar depreciates against other major currencies, the value of Thai goods becomes competitive without the change of baht-US value. On the other hand as the US dollar increases its value vis-a-vis other currencies, the unit value of Thai products is relatively more expensive.

The Thai public has been accustomed to the fixed value of baht against the US dollar. It became unthinkable that the baht value vis-a-vis the dollar can be adjusted. When the baht was devalued in July 1981, perhaps the first time in 20 odd years, political pressure was brought on the government. In the end, the resignation of a deputy minister would bring calm situation. This should not be surprising since there are at least 40,000 firms in importing business and there are no more 28,000 firms engaging in exporting business. Apparently there are more pressure groups in the import business than their counterpart in exports. By 1984, when the balance of trade went out of equilibrium another devaluation was announced by the government. Similar political reactions were felt.

If the monetary policy is not sharp and the exchange rate policy is reluctantly used, it is up to the fiscal policy to perform the miracle. The high esteem of fiscal policy can either be due to tradition and/or the impotent nature of the other two policies. The demand management of the economy through government expenditure is the extreme Keynesian case. On the revenue side, it has been observed that the revenue from taxes and earnings of state enterprises is not adequate to meet the growing needs of the country. Public investment programmes require external funds from various international agencies. This has been the pattern since the 1960's. As the domestic source of fund-demonstrated by the amount of deposits in the commercial banks-became available, the government's borrowings inside the economy took shape.

The domestic investment requirements exceeding the domestic saving ($I > S$) must be regarded as normal, not unlike other developing countries. To bridge the investment-saving gap, the government borrows from both domestic and international sources in the tune of 20-35,000 million baht. The Department of Revenue, Ministry of Finance has an

enormous task in terms of meeting the tax target year in year out. The effort to tax is highly concentrated on the indirect taxes (Asher and Booth, 1983)[15]. This is a typical situation for a country whose average propensity to save is not sufficient. The taxation on corporate income yields a lower value than the taxation on personal income. Foreign trade taxes were used heavily in the 1960's and 1970's and has since declined appreciably in the 1980's. Excise taxes have been growing and there are trends indicating that more products will come under excise taxes.

Because of the perennial shortfall of taxes collected from the economy, the Ministry of Finance has been against the lowering of tariff rates. The Ministry implements the tariff rates based on the revenue objective. It also believes that in the short-run the price elasticity of demand is inelastic. An argument to lower the tariff rates would be met by a counter argument that they would lead to lower revenue. In some cases it is true that low tariff rates can lead to lower revenue, but in most cases this argument is debatable. Behind all these resistance to lower tariff level, one detects that the government must protect its tax income. For it has become difficult to search for new taxable sources.

In 1974, the government revised the tariff rates downward across the board and it would pave way for liberalization. Lower tariff rates for intermediate products tend to stimulate the production of and supply of exportable goods. At the same time they tend to hurt the producers of competing intermediate products. The decision to lowering tariff rates was reversed shortly afterward and the nominal tariffs went back to a high level once again.

We do not have to argue that the Thai trade regime as illustrated above is not pro-export of the country. The revenue constraint has forced the government to adopt measures which go contrary to the liberalization of trade regime.

The Micro Aspect of Export Policy

Against the background of the macro-economic policies, there are micro approaches to the export promotion. In this section we have to look at the policies concerning individual commodities of some importance to the Thai economy. Commodities which deserve our attention are:

1. Rice
2. Tapioca
3. Maize
4. Garments
5. Canned foods

These products must be regarded as significant to Thailand. Rice, tapioca and maize are grown by at least 35 million people who live off the rural areas of the Kingdom. They form no less than 45 per cent of the Kingdom's overall export value in any given year. Because Thailand is basically an agrarian society, a shortfall in export earnings due to lower exports of these three items canundermine the well-being of the majority of people. In the manufactures, garments and processed foods form the major proportion of manufactured export value. These products are crucial because the industries employ several hundred thousand industrial workers. Out of the total industrial workers (1.7 million indivuduals) at least one half of them works for these two industries.

Rice

This staple food of Thailand has been distributed to every corner of the world. Thai rice of several grades has been sold to countries in Asia, Africa, North America and Latin America. Annual production is averaging 21 million metric tons of paddy. About 85% of white rice is consumed by Thais and about 4-5 million tons are shipped to overseas. Rice is unique because it has been used as the premium revenue commodity since the end of World War II. In a recent study (1984) it has been found that there were 47 premium revisions between 1950 and 1972.[16] The rates were set high during the mid-1973 to the mid-1974, a period of world wide food shortages that saw world rice prices escalating rapidly. In order to prevent domestic prices to rise and possible shortages due to strong upsurge of world demands. For the period of 1974 to 1975, as the world demand became less intense, premium rates were adjusted 6 times to lower the rates and to encourage large quantity of rice exported. During 1977 and 1982 premium rates were charged only 3 times.

The collection of premium from rice is seen by most it not all economists to be detrimental to the farmers. Premium depress domestic prices and in turn depresses the farm gate's price. Apart from the rice premia, export tax is also collected. Thus this commodity has been used to raise revenue for the government as much as a preventive measure to domestic shortage.

While Thai rice is renown throughout the world, there are other major suppliers of rice who are competing head-on in the world markets. Major suppliers include the US and China. Burma and Indonesia of late have been self-sufficient and export small quantities of rice of low grade. South Korea, India and Indonesia have become self-sufficient

due to subsidization programmes. The world demand has in 1985/1986 slackened but the production has not declined. Australia has also been exporting certain amount of rice to Hong Kong. Against this background, the impediments to export of rice seems unreasonable and may jeopardize the revenue of the Kingdom. By January 1986, all premiums and taxes were lifted and rice has been freed from all restrictions. Therefore, the global situation has set the tone to the extent that the regime of rice has been completely liberalized. This policy change is long overdue but it is considered a move which can fully exploit the export potential of the commodity. We, however, cannot rule out a relapse of policy as the world demand/supply change from excess supply to excess demand.

Tapioca

Tapioca is not the local crop of Thailand. Its origin can be found in Brazil but has since established well in Indonesia and Thailand. Indonesia, Thailand and Brazil are the main suppliers of the tapioca. Cassava, tapioca and manioc (CCCN 0706) are all common names used in the international trade. Since the late 1970's Thailand remains the most important supplier of tapioca and related products. Brazil has used tapioca to produce alcohol and Indonesia has decreased its production to a low level. There are 2 markets for Thai tapioca pellets. The first is the EEC markets comprising 10 countries. The second market is South Korea and the Soviet Union. Each year the revenue of tapioca exported can amount to 10,000 million baht. The EEC markets are under the bilateral agreement, recognized by GATT. The other markets are the residual market for Thai tapioca. Tapioca

enters the EEC markets and are levied with 6 per cent tariff. The Thai-EEC tapioca agreements limit the reports of Thai tapioca in all forms to 20 million tons over 4 years, ending 1986. The annual volume of exports can vary between 5 to 5.25 million tons but the total volume cannot exceed the agreed amount.

Tapioca in pelletforms are generally used for animal feed industries in many countries. The next substitutes for tapioca are numerous but some consider the price of yellow corn number 2 to be a decisive factor in the export of tapioca. A price difference of 40 per cent, i.e. price of corn is 40% higher than that of tapioca pellets, would induce the use of tapioca. Within the EEC markets, the price of tapioca pellets is quite competitive. However price of yellow corn in South Korea is far more competitive. Because of the supply of Thai tapioca exceeds that of the demand, exporters have to fulfil one condition according to the regulation set by the Ministry of Commerce. Exporters are required to ship 1.25 ton to be eligible to ship 1 ton to EEC markets. Department of Foreign Trade, Ministry of Commerce controls the exports of tapioca by issueing export licenses.

Siamwalla (1986) urgued that the economic rent was dissipated because exporters are encouraged to sell tapioca products to South Korea and non-EEC countries below the EEC prices.[/7] He suggested that economic rent can be kept at home if the exporters are forced to sell the products to feed industries in Thailand.

In general it has been found that the bilateral agreement between Thailand and EEC resulted in higher economic rent to Thai exporters. Furthermore the EEC has compensated Thailand to the tune of ฿650 million to discourage the plantation of tapioca a part of the agreement. As the agreement expires at the end of 1986 there are debates which centre around the renewel/termination of agreement.

It should be understood that tapioca plants do not fit with the overall agricultural diversification programme. These plants sap the soil nutrients after 3 seasons and soil erosion quickly follows. Fresh tapiocas must be processed into pellets so that there must be processing units nearby. The Board of Investment has limited the investment in new plants for many years. In short, tapioca is not promoted by the authorities. On the farmer side, this crop is not expensive to plant and harvest. It grows fast enough to compete with weeds and the cost of harvesting is around 0.30 baht per kilogram while the farmgate price is at least 0.60 baht in normal years. In comparing to other cash crops, tapioca does bring in revenue consistently.

To promote the export of this crop is amounting to the collapse of the agricultural programme. At the same time the revenue constraint faced by the government indicates that the tapioca pellets must be exported. The Thai side is about to negotiate with EEC countries for 24 million ton for 4 years. Since Spains and Portugal have been joining the common markets, it has been estimated that 800,000 tons can be included into the total package. Free trade policy for tapioca will not bring in more revenue for the country. A bilateral agreement, similar to the present one, can ensure the export revenue. At the same time, it is well recognized that tapioca should not be shipped to non-EEC countries below the market price. A minor adjustment at the ministerial level can reduce the rent dissipation mentioned above.

Maize

Maize has been produced and exported by Thailand for many years, since 1971. Its export earnings are about ฿4,000 million. Its relative share of exports to production is quite high when compared with other commodities. On average about 60-70 per cent of total production or approximately 2 million metric tons are exported each year with the only exception in 1972 and 1977 when production was effected by droughts.

The markets for maize consist of

(a) traditional eastern market, i.e. Japan, Taiwan and China

(b) Neighbouring market, i.e., Hong Kong, Singapore and Malaysia

(c) Middle East market

(d) Occasional market, i.e. USSR, Indonesia and the Philippines.

Prior to 1960, trade in maize was considered free of regulation and control. Exports are handled by private firms on a competitive basis. Since export quantities were relatively small and concentrated mainly to Japan, the government showed no interest to regulate the trade. By 1961 as the exports started to grow rapidly and intense competition was felt the government took actions to maintain trade stability. The Ministry of Commerce then required all maize exporters to obtain permission before sale agreements. Since then maize trade policies have been changed in various forms to prevailing market conditions. The development of maize trade policies is chronically summarized as follows:

a) Period of 1960 to 1961 During this brief period, maize trade was considered as a free trade system with only exception that export permission was required. Because of rising world demand for maize, export prices were high and attractive. Good profits drew more exporters and caused fierce competition among them for markets that total sales contracts exceeded export capacity. The consequence was the breaching of delivery contracts among exporters. Japan, the then major importer, was severely effected by delivery delays. To cope with the problem, Japanese importers joined together to set up the Thai Maize Importers Consortium (TMIC) in dealing with Thai maize exporters. Despite such attempts, contract breaching was persisting.

b) Period of 1961 to 1962 To alleviate competition among maize exporters, the government intervened in the trading by authorizing Department of Foreign Trade to negotiate directly with TMIC on export quantities for a long-term contract. Export quotas were then introduced in such a way that delivery contracts with Japan were to be fulfilled first before exports to other markets could be finalized. In addition, to prevent price cutting, a minimum export price was enforced to all exporters in 1961.

c) Period of 1963 to 1964 This period could be characterized as a crisis year for maize trading. This was due to the failure of the government and TMIC in matching sales contracts to cause abruption of maize exports to Japan. Domestic maize prices plummeted as no other markets were found to replace Japan. To stabilize market situations, Ministry of Commerce revised its regulation to allow maize trade to be free of control but the minimum export price rule was still maintained. This, however, did not prevent price-cutting competition among exporters in search for markets by means of price rebate.

d) Period of 1964 to 1982 Trading situations in 1964 made the government realized that free maize export system could damage traditional markets in the long-run by intense competition among exporters and malpractices. It then reversed the maize trade policy back to strict controls on export quantities and prices, especially during the period that future contracts with Japan were still in effect. This system has been in practice up to 1982 but the sales negotiators were changed from Department of Foreign Trade to Board of Trade and for Japan from TMIC to Japan Feedstock Trading Association (JFTA). In addition to long-term contracts with Japan, future trade on maize was also signed with Taiwan.

e) Period of 1982 to present Since 1982 the export system of maize is free of regulation with the exception of contract markets such as Japan, China and Taiwan. Since 1982 China has been exporting maize. There remain two contract markets (Taiwan and Japan). Even in these contract markets, quantities are agreed upon but not prices. Failure to price settlement will terminate the delivery of the month. Exporters have benefitted from this free system of maize trading. Exporters, however, are required to obtain quality centificate from the Board of Trade over moisture and units of aflatoxin (PPB). This system has been functioning well to the benefit of the economy.

Garments

Among all manufactured exports, garments have been labeled as the late comers. Thai garments began to penetrate the overseas market by 1970's. Suehero (1984) considers the real trade expansion of garments to occur around the year 1977 onward.[18] The importance of garments must be considered in terms of export earnings. In 1981 the garment exports were valued at 7,164 million baht, representing about 60% of the total textile export value. In the total manufactured export value, garments have become the second largest foreign exchange earner after the exports of integrated circuits (I/C). Furthermore, in 1982 the garment export recorded 9,380 million baht.

With the multi-fibre arrangement (MFA) since 1970 the exports of Thai garments have to be based on bilateral agreements which Thailand signed with 18 countries comprising the US, EC (12 countries), Norway, Sweden, Canada, Finland, Austria. About one half of Thai garments are exported to the US, the rest went to 17 countries with the major share belongs to the EEC countries. Under all bilateral agreements, recognized by Textile Surveillance Board of GATT, it is the responsibility of

Thailand to regulate the outflows of garments. The quota system is controlled by Department of Foreign Trade, Ministry of Commerce. The usual approach is to obtain export licenses from the department. However, the complication arises with the way that quota is allocated. There are 2 types of quota: (a) principal quota and (b) residual quota. The principal quota is allocated to exporters whose previous years' performance have been verified. Prior to 1985 the principal quota is allocated 100 per cent to exporters. The residual quota is the amount which has been left over monthly after the principal quota has been allocated. The residual quota can be the addition of unused quota plus growth allowed for each category and allowed swing between each category of garments. After 1985, the residual quota amounted to 30% of all quota. Before 1985, quotas are not transferable between exporters. The penalty for transferring quotas is quite severe. After 1985, the transfer of quota is allowed. The Association of Thai Garment Exporters arranges for the transfer and notifies the Department of Foreign Trade subsequently. The transfer price ranges between 8-13 baht per square yard, depending on the hot or cold items. This transferability feature is similar to the system of Hong Kong.

The general Thai garment exporters regard the US market to be the most significant market until the embargo in September 1985. With the Jenkins Bill and the US embargo, Thai garment exporters are now facing with uncertainty. Some firms with more flexibility in terms of production and marketing have switched to the EC markets. The US-Thailand agreement following the embargo indicates that Thailand garments to the US will have to be cut back appreciably rendering bleak future to Thai exporters and their employees. Thousand of workers have been laid off due to the reduction of quotas to the US.[19]

There are limits to the growth of this industry. However, one point which all exporters agree is that the industry must more into higher value-added items and more away from specific items. The US has set limits to some products but leave some products free of control. Prices statistics collected by Department of Foreign Trade suggests that non specific items fetch higher unit value. Thus, the proper cause of action is to switch the production and export to non-specific items.

Canned Food

Food processing industry is regarded as the most natural step for Thailand. With plenty of arable land and long coastal lines, fruits, vegetable and marine products can be processed into canned products. One of the first industries established in Thailand was the pineapple cannery. Today the canned pineapple found their customers in every major industrial nations. The US and EEC are the principal importers of canned pineapple. The next large group of cannery is the tuna-in-can plants. Today there are some 26 firms producing canned tuna. The industry earns ฿8,000 million in 1985 and expects to each more in 1986. Among the 26 companies there are few large companies export to the US and EEC mainly. One firm is so large that its entire production is about one half of all production.

There are 2 problems which the food processing industries must solve.[/10] These are (a) quality and (b) shortage of raw-materials. During the last few years, Thai canned products have gained a sizable share of major developed countries, with the exception of Japan. In many cases, Thai products occupy no less than 40 per cent share in the

US, UK and other EC countries. The popularity of Thai canned food presents a critical problem to the exporters in terms of quality control. Plants with modern management and technical service do take good care of the quality. Smaller firms in general tend to ignore the quality aspect to the detriment of the whole industry. The industries have to cope with fluatuation of raw-material supply (and of course price instability). Pineapple is grown according to the present price picture. There are some years which cannery cannot fill the order due to shortage of raw-materials. The same is said to exist in many tuna industry. Among big exporters, this problem is solved through the importation of tuna. From the low import content in 1970's the tuna industry now has replaced the dwindling local fish with imported tuna. About 60-70 per cent of tuna used is imported from the US, Seychelles, Maldives and Micronesia.

Because there is little local consumption, the industries rely upon their export markets to the full extent. The government does not control or regulate the exports of these products. Thus as long as the products are competitive and meet the required quality of importing markets, the exports of these products do not require any assistance or regulation from the government.

V. Recommendations for the implementation of export promotion

We can briefly summarize that Thailand's export promotion policies are as follows:

(a) the trade regime as indicated by the macro-economic policies, particularly the fiscal policy, is anti-export bias. The government is prone to collect taxes from foreign trade (both import and exports).

(b) There are products which are not regulated by the governments, e.g. rice, maize, canned products. These products can operate according to the comparative advantage principle.

(c) Products which have been subject to bilateral agreements (tapioca, garments) have not been freed to earn foreign exchange. There are quota problems imposed by both Thailand and her trading partners.

It is also noteworthy that there is another class of products which we have not touched upon. These products have been produced within the free-trade zone or within the boundary of bonded warehouse. Raw-materials and related products considered to be inputs are imported free of levies and when the finished products are exported they do not counter any export tax/tariff. Electronic part such as integrated circuit (I/C) are produced in the free-trade zone. Similar treatment has been given to miniball bearings, some canning factories and so on. Within this enclave spot, incentive system normally applicable to domestically produced items is not to be applied. Here we must regard the system to be divorced from the rest of the economy. No export policy is called for since the firms are operating at world prices.

At the most aggregate level, the present macro economic policy is focusing on the fiscal policy entirely. To free the trade regime such that it can display true comparative advantage, it is suggested that the liberalization of trade regime should follow the following thinkings:/11

1) The tax structure should be based on the efficiency criterion. That is, revenue objective should play a secondary role. The emphasis to tax to raise much-needed revenue should be avoided.

2) The nominal tariff rates should be revised downward to the 40-60 per cent range. Among developing countries it has been observed that the nominal rate of protection is higher than that of the developed countries. There should be more effort to maintain the 40-60 range.

3) The monetary policy as far as the export promotion is concerned should nourish the exporter's effort. The export credit facility must be adequate to boost exporters of all sizes.

4) There ought to be an institution which underwrites the export credit risk. This type of institution is available in many countries and has become an essential part of export development.

5) The exchange rate should be flexible enough to move with the world currencies and synchronizes with the needs of Thai economy. An undervalued baht vis-a-vis major currencies is to be preferred to an overvalued baht.

At the same time it is well recognized that macro-economic policies alone cannot push the Thai exports to the forefront. There are other micro obstacles which prevent the smooth outflows of goods to overseas. They are:

1) Regulations at the ministerial level;

2) Restriction-free imports;

3) Choice of imports for exporters; and

4) Access to export financing systems.

The first issue centres on the rules and regulation on the imports and exports, according to the legislation enacted in B.E. 2522. That Act empowers the Minister to control import and export as he deems necessary. Among items mentioned earlier on tapioca and garments are the items under control. The regulations governing the issueing of export license tend to reward economic rent to the officials in the ministry. Rent-seeking activities are rampaging. It should be understood that the rules and regulations are unnecessary if the Ministry choose to auction off the scarce licenses. This option has not been considered in recent years.

The question of imported items are used for exports or for domestic final consumption has not been distinguished clearly. Added benefits are to be gained when import administration for exports is well established. This will free exporters to use import at world prices. At the same time for items used for consumption, the customs regulation must still apply. At the same time there is a danger that the objective of achieving a free-trade regime for export industries will be compromised by the aims of protecting domestic manufacturing industries.

In general, the exporters do not have much choice over the origin of inputs. Exporters do choose inputs from different source: domestic substitutes or imported ones. Domestic substitutes have been

taxed via business taxes and these taxes are not duely rebated in the export process. On the other hand, levy on imports can be easily rebated. The administration of rebate must take care of this aspect such that there is no difference between inputs from two different sources. The present use of Input-Output coefficients to calculate rebate rates is subleading. In a recent World Bank (1985) report it proposes that input coefficient office be set up to produce appropriate rebate rates. /12

Many studies by the Bank of Thailand have found that the export credit facility by the Bank is not attractive to small exporters. /13 There has been a scheme which reduce the interest rate from 9% to 8% to cater for the need of small exporters. It is impossible to indicate whether this window supports the small exporters. The reduction of packing credit rate to 7% since the end of March 1986 will definitely help general exporters. Still there is a bottleneck for small exporters. The general belief is that creditworthiness of new/small exporter is one parameter which prevents them to obtain such credit. A new system along the line to accomodate them must be a bonus.

Having said the above, it remains to be mentioned that despite all the unfavourable trading environments-protectionism and non-tariff barriers-Thailand stands to gain where she opts for further liberalization of her trade regime.

Table 1 : EXPORT VALUE OF THAILAND BY COMMODITY GROUPS, 1960, 1965, 1970, 1975, 1980 AND 1984

(Million of Baht)

SITC Category								Share (%)					
	1960	1965	1970	1975	1980	1984	1960	1965	1970	1975	1980	1984
All commodities	13.38	8614	12980	14722	45007	133197	175237	100.00	100.00	100.00	100.00	100.00	100.00
0. Food and live animals	13.76	3912	6786	6957	26599	59338	86482	45.41	52.28	47.26	59.10	44.55	49.35
1. Beverage and tobacco	19.22	25	92	206	579	1393	1698	0.29	0.71	1.40	1.29	1.05	0.97
2. Crude materials	6.35	4303	4966	4262	6804	19095	18875	49.95	38.26	28.95	15.12	14.34	10.77
3. Mineral fuels and lubricants	28.50	-	46	45	249	86	411	-	0.35	0.31	0.54	0.07	0.23
4. Animal, vegetable oil, fat	25.10	2	7	14	43	222	432	0.23	0.05	0.10	0.10	0.17	0.25
5. Chemicals	26.34	8	15	33	243	936	2187	0.09	0.12	0.22	0.54	0.7	1.25
6. Manufactured goods	26.89	96	599	2188	6419	29474	29187	1.11	4.62	14.86	14.26	22.13	16.66
7. Machinery & Transport equipment	47.88	1	10	15	573	7618	11959	0.01	0.08	0.1	1.27	5.72	6.82
8. Miscellaneous manufactured goods	35.22	14	27	59	1582	8467	19558	0.16	0.21	0.04	3.52	6.36	11.16
9. Miscellaneous transactions & commodities	13.54	61	133	471	963	3777	1286	0.71	1.03	3.2	2.18	2.84	0.73
Re - exports	12.38	192	299	522	933	2791	3152	2.23	2.3	3.54	2.07	2.1	1.81

Source: Bank of Thailand, Monthly Bulletin, Various issues.

Table 2 : AVERAGE ANNUAL GROWTH RATES OF EXPORTS OF THAILAND BY COMMODITY GROUPS, 1961-66, 1967-71, 1972-76, 1977-80, 1980-84 AND 1960-84

(Percentage)

SITC Category	1961-66	1967-71	1972-76	1977-80	1980-84	1960-84
All commodities	8.61	4.82	26.15	23.9	7.1	13.38
0. Food and live animals	8.86	1.36	34.55	14.74	9.87	13.76
1. Beverage and tobacco	47.65	9.96	26.9	13.71	5.07	19.22
2. Crude materials	3.55	6.66	12.35	22.33	-0.29	6.35
3. Mineral fuels and lubricants	361.96	22.39	-19.13	68.76	47.85	28.50
4. Animal,vegetable oil,fat	-6.18	88.29	37.27	79.25	18.11	25.10
5. Chemicals	10.9	30.82	34.35	47.99	23.64	26.34
6. Manufactured goods	57.69	5.74	22.97	35.02	-0.24	26.89
7. Machinery & Transport equipment	65.87	26.86	135.56	62.51	11.93	47.88
8. Miscellaneous manufactured goods	7.6	32.23	56.78	45.53	23.28	35.22
9. Miscellaneous transactions & commodities	11.98-	49.92	-3.19	36.2	-23.61	13.54
Re - exports	11.98	7.13	-8.37	45.73	2.87	12.38

Source: Bank of Thailand, Monthly Bulletin, Various issues

Table . 3 : EXPORT OF THAILAND BY DESTINATION 1960, 1965, 1971, 1975, 1980 ALL COMMODITIES

(US$ Thousand)

DESTINATION	1960	%	1965	%	1971	%	1975	%	1980	%
World	120,770	100	311,526	100	802,113	100	2,331,017	100	6,369,169	100
Japan	20,467	16.95	52,788	16.94	202,935	25.30	607,058	26.04	974,857	15.31
United State	6,488	5.37	16,457	5.28	103,184	12.86	231,305	9.92	816,114	12.81
Netherland	3,669	3.04	10,992	3.53	66,204	8.25	222,873	9.56	860,775	13.51
Singapore	-	-	24,999	8.02	56,426	7.03	192,086	8.24	468,860	7.23
Hong Kong	16,816	13.92	30,329	9.74	54,313	6.77	296,297	12.71	316,087	4.96
Malaysia	301	0.25	31,922	10.25	31,512	3.93	99,955	4.29	286,824	4.50
Germany, Fed Rep	6,871	5.69	15,138	4.86	30,497	3.80	53,990	2.32	267,245	4.20
United Kingdom	5,444	4.51	6,441	2.07	19,612	2.45	24,458	1.05	120,087	1.89
Rest of the World	60,714	50.27	122,460	39.31	237,430	29.60	602,995	25.87	2,258,320	35.46

Source: UN. Trade Statistics; United Nations.

Table 4: EXPORTS FROM THAILAND TO
WORLD USA EEC JAPAN DEVELOPING CPE'S
(IN THOUSANDS OF U.S.$)

REPORTERS : THAILAND
DIRECTIONS: EXPORT

	1970	1977	1984
SITC:0 FOOD AND LIVE ANIMALS			
WORLD	337421.29	1973657.58	3651632.52
USA	12220.87	49730.22	324216.51
EEC10	52519.41	408017.42	839926.13
JAPAN	72142.63	337603.85	391874.46
DEVELOPING C	190880.31	1048464.78	1777216.83
SOCIAL.EUROP	24.14	4.67	78776.52
SITC:1 BEVERAGES AND TOBACCO			
WORLD	9904.99	45629.71	71832.30
USA	264.63	9193.63	14775.45
EEC10	4997.69	19734.74	23950.20
JAPAN	3326.07	7854.18	6815.81
DEVELOPING C	387.48	5273.27	12294.91
SOCIAL.EUROP	0.00	0.00	0.00
SITC:2 CRUDE MATERIALS, INEDIBLE, EXCEPT FUELS			
WORLD	202067.43	536331.32	800986.13
USA	19862.72	74814.44	110992.51
EEC10	42124.50	69510.46	63103.22
JAPAN	91778.48	217576.42	347588.80
DEVELOPING C	31488.31	135994.20	203594.58
SOCIAL.EUROP	2483.42	11854.05	20182.03
SITC:3 MINERAL FUELS, LUBRICANTS AND RELATED MATERIALS			
WORLD	2146.21	1025.88	17374.84
USA	0.00	0.00	15323.83
EEC10	0.00	0.00	1.11
JAPAN	0.00	0.04	1.49
DEVELOPING C	2146.21	1025.84	2036.15
SOCIAL.EUROP	0.00	0.00	0.00
SITC:4 ANIMAL AND VEGETABLE OILS AND FATS			
WORLD	662.21	1476.60	19520.07
USA	1.62	0.00	3148.84
EEC10	59.98	98.20	1621.61
JAPAN	0.00	157.45	1823.99
DEVELOPING C	600.61	1220.96	11735.24
SOCIAL.EUROP	0.00	0.00	0.00
SITC:5 CHEMICALS			

Table 4 (cont.)

EXPORTS FROM THAILAND TO
WORLD USA EEC JAPAN DEVELOPING CPE'S
(IN THOUSANDS OF U.S.$)

REPORTERS :THAILAND
DIRECTIONS:EXPORT

	1970	1977	1984
WORLD	1621.16	14152.02	70270.19
USA	8.24	157.65	1603.32
EEC10	67.61	1554.51	4345.75
JAPAN	37.46	4968.64	7448.28
DEVELOPING C	1176.15	7032.11	47447.54
SOCIAL.EUROP	0.00	0.00	0.00
SITC:6 MANUFACT GOODS CLASSIFIED CHIEFLY BY MATERIAL			
WORLD	104160.88	576396.06	1177745.02
USA	55063.92	119439.09	243571.32
EEC10	24578.57	199476.72	305150.72
JAPAN	6382.58	91626.70	135601.90
DEVELOPING C	13355.63	124219.40	346939.02
SOCIAL.EUROP	0.62	757.83	768.36
SITC:7 MACHINERY AND TRANSPORT EQUIPMENT			
WORLD	787.76	84633.43	501022.41
USA	15.56	17446.81	176844.40
EEC10	1.60	706.08	37033.50
JAPAN	0.23	1380.28	40506.60
DEVELOPING C	548.42	63125.16	239230.98
SOCIAL.EUROP	0.00	0.48	2.48
SITC:8 MISCELLANEOUS MANUFACTURED ARTICLES			
WORLD	3738.68	144342.01	913047.78
USA	1062.52	46668.00	365402.80
EEC10	305.03	45472.53	220301.49
JAPAN	166.79	10154.71	22331.96
DEVELOPING C	1011.10	23722.69	210961.10
SOCIAL.EUROP	0.79	465.23	558.60
SITC:9 COMMOD. & TRANSACTS. NOT CLASS. ACCORD. TO KIND			
WORLD	22648.87	73241.64	55695.02
USA	4211.37	14171.95	14625.19
EEC10	4020.03	17066.56	10408.85
JAPAN	6167.54	11001.53	2791.37
DEVELOPING C	5149.02	14661.71	20078.97
SOCIAL.EUROP	3.00	22.13	9.60

Table 5: Thailand's Expert Perfomance in Japan

Year & Product Group	Baseyear Exports (US $1,000)	% Changes due to : Japanese demand effect	Commodity composition effect	Competitiveness effect	Actual Change (US $1,000)
1961-1971					
Primary Products	77,959	140.02	-11.15	-29.67	132,868
Manufactured Products	340	5.26	1.05	93.68	15,516
Total	78,299	123.82	-9.65	-27.46	151,767
1971-1976					
Primary Products	210,827	93.19	14.65	-7.84	518,068
Manufactured Products	15,056	36.17	-14.05	78.67	100,376
Total	230,066	85.25	0.62	6.13	617,973
1976-1981					
Primary Products	728,895	896.67	-59.28	-737.39	98,359
Manufactured Products	116,232	124.35	14.39	-38.74	113,098
Total	848,039	461.63	-21.39	-360.24	213,053
1981-1983					
Primary Products	327,254	352.02	88.01	-340.03	-28,200
Manufactured Products	229,330	172.90	-129.67	-56.78	-15,917
Total	1,061,092	300.00	-8.57	-208.57	-42,443

Source : Calculated from U.N., Commodity Trade Statistics, Various Issues.

Footnote

/1 Ann O. Krueger (1981), "Export-led Industrial Growth Reconsidered," in Wontack Hong and Lawrence B. Krause, ed., Trade and Growth of the Advanced Developing Countries in the Pacific Basin, KDI.

/2 See for example J.N. Bhagwati (1978), Foreign Trade Regimes and Economic Development: Anatomy and Consequences of Exchange Control Regimes, NBER.

/3 The analysis follows that of Seiji Naya and Narongchai Akrasanee (1974), "Thai-Japan economic relations: trade and investment," and J.D. Richardson (1971), "Constant Market Shares Analysis of Export Growth," Journal of International Economies.

/4 JUANJAI AJANANT, SUPOTE CHUNANANTATHUM and SORRAYUTH MEENAPHANT (1985), Trade and Industrialization of Thailand volume II, Published by SSAT/IDRC

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/9 JUANJAI AJANANT (1986), "Trade and Protectionism and Industrial Adjustment: The Case of Thai Garments Industry," NSI/ISEAS

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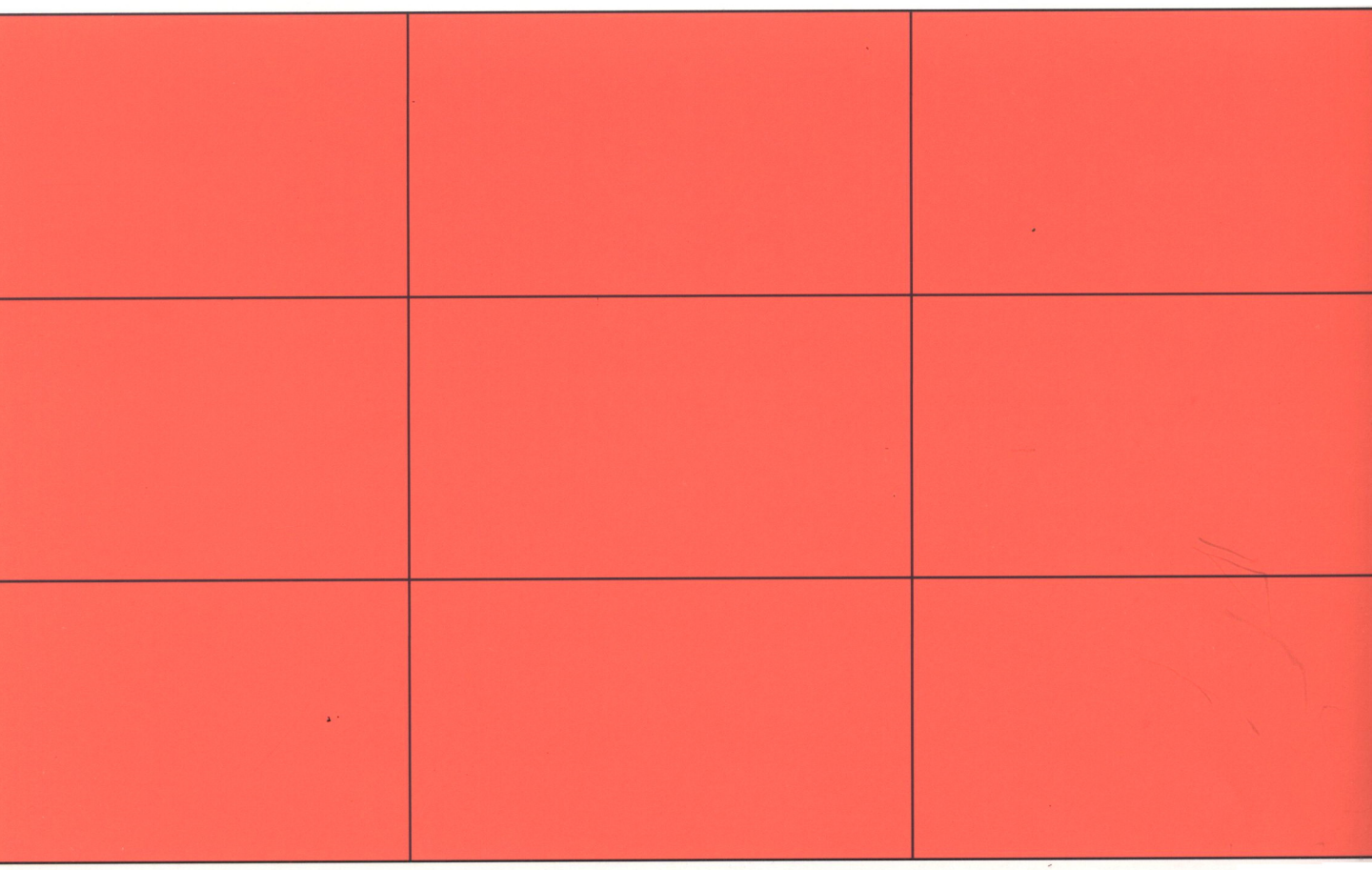

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