

Thailand



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Staying on course

Amid recessionary worries that have afflicted many countries in the ASEAN area in 2008, Thailand is maintaining its position as a leader in the region, with stable growth forecasted for the coming years.

This year, Thailand's GDP is expected to grow by at least 5 percent (or an equivalent of \$660 billion), according to the Bank of Thailand.

Despite recent political infighting, the country continues to surprise observers at home and abroad with its strong business-friendly policies that continue to aid its progress.

From a bloodless military coup in 2006 to the transition to civilian rule in 2008, this vibrant democracy has had its share of obstacles.

Despite the uncertainty, Thailand maintained strong economic fundamentals as it attracts foreign investment and supports local entrepreneurs that have allowed it to continue on a path to prosperity.

A maturing economy

Aside from being a leading economy in the ASEAN region, Thailand's geographical position in the middle of the 10-member bloc makes it an ideal spot for foreign companies looking for a central location for a manufacturing base in the area.

In fact, two-thirds of Thailand's GDP is made up of exports and the government has done much to stimulate investment in one of the original tiger economies.

The Board of Investment has divided the country into three key industrial zones that are specifically designed to attract additional outside investment. These zones feature privately run industrial estates such as Amata, which caters to a diverse range of manufacturing clients.

With the rising influx of foreign capital, Thailand has become a major hub for exports not just to ASEAN but to the rest of the world. As important industries such



Hideaki Kobayashi, former Japanese ambassador to Thailand

as automotive, energy, food and beverage, and steel continue to expand, the country is geared up to play a pivotal role in the globalized economy.

Growing Japanese investment

As is the case in other countries in the rest of Asia, Japan is the largest foreign investor in Thailand.

With their long and close history (Japan and Thailand marked the 120th anniversary of diplomatic relations in 2007), Japan ranks a close second behind the United States as the largest export market for Thailand.

The second-largest foreign Japanese Chamber of Commerce in the world is located in Bangkok, a testament to the importance of Thailand to Japan's economic strategy in ASEAN.

Both predominantly Buddhist nations with highly revered monarchies, their shared values and culture are part of the reason the relationship assumes a special status when compared to the sometimes-antagonistic relations with other countries in the region.

"Our relationship is not just commercial. It's about understanding and moving forward together towards prosperity," says Dr. Tarisa Watanagase, the first female governor of the Bank of Thailand.

As Japan's focus has increased on China in the past five years, some observers fear that Thailand's status among Japanese companies would diminish.

But, many in Japan consider Thailand as more critical to their economy as Japanese companies seek to diversify their investments, and hedge their bets on a country that has not always been friendly and open to investment from its longtime rival.

"China plus one" is a common moniker used to refer to Thailand by many in the Japanese business community.

The burgeoning auto industry represents the continuing flow of Japanese capital into Thailand.

As several Japanese companies look to Thailand for their major export hubs, SMEs and smaller second- and third-tier suppliers are moving to the country to meet the demand of automotive giants like Toyota and Honda. The recent announcement of BOI's eco-car project has complemented this trend.

Further evidence of strengthening relations was witnessed in 2007, when the two countries signed the Japan-Thailand Economic Partnership Agreement

CONTINUED ON PAGE B2

For Thai giant, big plans are no tall order

Eleven years after the Asian currency meltdown, Bangkok-based IRPC has undergone another massive restructuring aimed at catapulting Thailand's third-largest petrochemical group to the top of the industry in the country and Southeast Asia.

Emerging much stronger following the financial turmoil in 1997, IRPC is on the verge of completing the first phase of a \$1.4 billion expansion project overseen by CEO Piti Yimprasert, an industry veteran who took over the helm of the company in 2006.

Piti is determined to make IRPC the largest fully integrated refinery and petrochemical operation in Southeast Asia.

Upon completion of the expansion plan, IRPC will be the only company in its sector to process all petrochemical products - from upstream to downstream.



IRPC CEO Piti Yimprasert



Thailand's petrochemical industry has been experiencing great success in the export of downstream and upstream products recently. Pictured above is IRPC's first fully integrated petrochemical complex in Rayong province in the east of the country.

Looking beyond petrochemicals, which is Thailand's largest industry, Piti also plans to capitalize on IRPC's existing assets and develop deep-sea ports to cater to the country's growing need for energy.

According to Piti, the future of the country's energy demand lies in coal and IRPC will surely benefit from plans to position the company as a player in coal-based energy and related businesses.

"Being 'complete' is a perfect combination," he stresses.

By diversifying the scope of its operations, IRPC will minimize the impact of fluctuating oil prices

on its business.

With a greater focus on petrochemical derivatives used in many high-value products in Thailand, IRPC also supplies the automotive industry, another major component of the domestic economy.

Even amid profound investment in local operations, IRPC has not overlooked the importance of foreign markets. In fact, 50 percent of its petrochemicals products go overseas and Japan is its second-biggest customer.

Meanwhile, Piti sees a huge economic opportunity for Thailand

CONTINUED ON PAGE B2

Japanese partner moves with the times

Local Thai entrepreneur Kanok Leeissaranukul and wife Sopa founded Seng Nguan Hong Dept. in 1919 to supply bicycle parts. The company instantly thrived as the number of bicycles on the country's streets increased.

Commemorating its 90th anniversary in 2009, the company, which later renamed itself The Sittipol 1919 Co. Ltd., has grown consistently by aligning its business with flourishing sectors and forming joint ventures with leading Japanese companies (It now operates under the name The Sittipol Group).

"My grandfather started as a bicycle parts supplier and the business expanded with that industry in the early years. Then, we moved into auto parts manufacturing. We are now in the third phase of our



The Sittipol Group Managing Director Thanong Leeissaranukul

business. In the past 25 years, we have become the leading parts supplier for the motorcycle and automotive industries in Thailand," says Managing Director Thanong Leeissaranukul, a grandson of the company founder.

By all indications, Sittipol Group's business strategy has worked as the company reported annual growth of between 25 percent and 30 percent in the past three years.

Through successful partnerships with the most trusted Japanese motorcycle and automotive brands, Sittipol established the widest professional distribution network for motorcycle and automotive parts in Thailand.

Inoue Rubber (Thailand) Co. CONTINUED ON PAGE B2

A case of well-placed loyalties



Ricoh Thailand President Julian Fryett

Ricoh Thailand has not lessened its staunch commitment to protect the environment ever since it became the first office automation company in the country to receive the "Green Label" for its products and ISO 14001 certification for environmental management systems.

For Ricoh Thailand President Julian Fryett, the company is well positioned for sustainability thanks to its long-term focus on environmental issues.

In the country, Ricoh provides consultancy services that help customers cut document costs and enhance their document processes, such as setting up a paperless office, establishing centralized or area printing, and tracking costs.

Ricoh, as Fryett explains, advises clients how to better manage the flow of information, internally and externally, and how to eliminate inefficiencies in document processes and expenses. It also helps reallocate printing devices to support document flow and, of course, support the environmentally-friendly design of the office.

"From our experience, we can help generate average savings of

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"The customer is the one guy who could get rid of everyone, including me, by not buying our products and services. The cost of acquiring a new customer is very high, but it is 10 times higher to get him back, if you lose him once. The customer is the key"

Thailand

BOT forecasts increased investment

Amid the doom-and-gloom pronouncements about the global economy, the Bank of Thailand has played a crucial role in steering the country's economy towards further growth in these uncertain times.

World Eye Reports met recently with Tarisa Watanagase, the country's first female central bank governor, to discuss the outlook of the Thai economy. Below are excerpts of that interview.

WER: What are some of the ways you are looking to combat inflation?

Tarisa: If you look at the interest rates, the short-end interest rate has risen reasonably, but if you look at the longer-end, the curve has been more or less steady. So, we take that to mean that the market believes in the BOT's commitment and trusts it to handle inflation. So, the main tool for the BOT in controlling inflation is obviously interest-rate policy because it's working.

How do you see the recent rise in oil prices affecting relationships with your close partners, in particular Japan?

Thailand and Japan have always been close trading partners. If you look at it in terms of export share, Japan is a bit behind the United States but very close behind (less than 1 percent). But if you look at imports, Japan is our biggest trading partner. From that perspective, we value Japan as a very important trading partner.

Not just in terms of trade but in foreign direct investment, Japan has the biggest share, close to about 40 percent in 2007. And the number has in fact increased. With the JTEPA (Japan-Thailand Economic Partnership Agreement) that was signed last November, I have no doubt that the relationship between Japan and Thailand will become stronger.

With Thailand facing some political challenges, why do you think that the country's economy will continue to grow?

I think we have strong fundamentals. Especially if you look at the past few years, we've been through a lot of adverse circumstances, like the tsunami, bird flu, political unrest and the unrest in the south. But we have always managed to grow at above 5 percent, which is good given the environment that we're in.

In the past two years, exports were the driving factor. We should give credit to the private and public sectors. The private sector has been doing a good job of diversifying products and export destinations, which is why unconventional markets have risen in terms of their share, such as the European Union, China and ASEAN, and also the likes of India and the Middle East.

The public sector has done a good job. There is room for authorities to manage the economy. The government has exercised good financial discipline. Overspending has never been a problem. So now they have the ability to use fiscal policy to improve the infrastructure in terms of logistics and transport.



Tarisa Watanagase, governor of Thailand's central bank

And in our financial sector, the banking industry is strong as a result of reforms made since the Asian crisis (in 1997). Now it is recording good profits and is able to support economic growth. Finally, the credit bureau, which we didn't have before the crisis, now helps reduce the risk for banks.

How does the government plan to further stimulate investment in the future?

The government has included a number of megaprojects in this year's budget, like the railroad system, the sky-train and also the resource management project. These are all things that will improve the production sector of the economy. As a result, we have seen a pickup in investment in the private sector.

The government has made clear its intention to stimulate the needed investment, especially in infrastructure, and the private sector gets that message. Investment, in fact, has started to pickup since the second half of 2007.

How can Thailand reinforce its relationships with long-established partners, like Japan, while coordinating with emerging countries such as China, Vietnam and India?

The private sector (in Japan and Thailand) will have to take the lead, and that's what we like to see. The auto industry is taking a leading role. We are seen as the hub of automotive parts in the region simply because of the cooperation with Japan. This kind of cooperation from the private sector will keep moving us forward.

I've also mentioned the need for human resources development to the Japanese Chamber of Commerce here, so they have programs with universities that help shape the skills needed even before (students) graduate.

Of course, things like the JTEPA, where we can reach an agreement beneficial to both sides, are excellent steps to take.

And as for emerging markets, when China emerged a few years ago, we and a number of countries were concerned that we would lose out. But it turned out that we have prospered along with China, especially when Japanese companies realized after the bird flu outbreak that they needed to diversify. All the countries in the ASEAN region are at different stages of development and we all have something different to offer.

What do you think the future holds for the Thai economy?

Thailand has strong fundamentals. This will remain the case for some time to come. We moved up two notches in the ranking for business investment outlook. The main reason for this is the implementation of the new customs system. This has had a positive impact on investment, especially from Japan. This new system has improved efficiency, and cut costs and time.

We need to manage the short term and the long term with a good balance, and not lose sight of the long term. The key is that we need to grow at our potential growth, and we need to raise our potential growth. I think that says a lot about what we need to do.

Japanese influence grows in Thai steel industry

Analysts of Japanese investment in the steel industry are often quick to bring up Japan's growing interest in Thailand as a major export hub for the automotive and electronics industries. What many of them overlook are the companies that play a supporting but vital role in these sectors.

In fact, if one were to focus on one industry that illustrates Japan's strong influence on the Thai economy, the steel industry would be a good example.

On the back of the growing automotive, electronics, construction and food industries, among others, the demand for steel, particularly high-quality steel, has

been rising.

Domestic demand for steel is around 15 million tons per year and this number is expected to rise by 30 million tons in the next 10 years, mainly in the high-end market.

"Thailand's steel industry is where the action is. It is the manufacturing hub of the ASEAN region. It is benefiting greatly from the boom in the automotive, electronics and construction sectors," says Yasushi Aoki, chief representative of Nippon Steel.

"Thailand is the most important market in Southeast Asia," says Ryuzo Ogino, Japanese head of Thai-owned G Steel.

It is not just the auto industry

that is driving the growth.

"Demand is strong and growing for tinplate in the food and beverage sector, especially for canned goods like pineapple," says Masaki Ogasa, general manager of JFE Steel Corp. and chairman of the metal division of the Japanese Chamber of Commerce.

Thai Tinplate and Siam Tinplate, two Japanese-Thai joint ventures, are providing the bulk of these products.

Industry experts believe Thailand and the entire ASEAN steel industry have bright prospects to expand to the high-end market but have to consolidate and become part of the global supply chain network to achieve their full potential.

Those same experts believe consolidation is inevitable in the near future.

A large blast furnace project, partially sponsored by the Thai government, is in the works, with four major companies bidding for the contract from the Board of Investment. Two of these companies, JFE Steel and Nippon Steel, are Japanese.

In an industry that many cite as a key economic value, second only to energy, this is good news for the future of the Thai economy, and good news for the image of Japanese investment in the country.



With annual domestic demand presently at around 15 million tons per year and seen to rise by 30 million tons within 10 years, Thailand's steel industry is poised to be a main pillar of the country's economy. One of the major players in the sector is JFE Steel, whose sprawling production plant is pictured above.

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Registered capital : Bt500 Million (Fully paid up)
Established : June 1992
Production capacity : 4,000-5,000 tons / month
Site area : about 320,000 sq meters
Business : Steel planning, design, fabrication and erection
Certification and Quality Management System :
AISC, H Grade from Japan, ISO 9001:2000, ISO17025 and OHSAS 18001:2007
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A case of well-placed loyalties

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between 20 percent and 30 percent for our clients in Thailand because of higher productivity through document process optimization," he says.

"In addition, we also generate a benchmarking scenario to evaluate if internal printing or external printing is more cost effective. We make recommendations on how to reduce printing costs, whether through document management software or device reallocation," he adds.

While several foreign companies have carried out cutbacks amid a global economic slowdown, Ricoh Thailand has stepped up its investment in the country.

"Ricoh is opening a factory in September 2009, which will hire 800 staff instantly and up to another 2,500 more within five years. It will produce up to 140,000 units per month for the local market and for export to Europe, ASEAN and the United States," Fryett says.

The company chief is concerned not only with huge and lofty issues such as environmental protection, and economic development. Fryett has not overlooked the vital matter of customer satisfaction.

"The customer is the one guy who could get rid of everyone, including me, by not buying our products and services. The cost of acquiring a new customer is very high, but it is 10 times higher to get him back, if you lose him once. The customer is the key," he stresses.

After all, Fryett has not lost sight of Ricoh's original mission "to make the office a happy and productive place." ♦

www.ricoh.co.th

For Thai giant, big plans are no tall order

CONTINUED FROM PAGE B1

as a growing number of Japanese companies diversify and expand in the country as a way to hedge their existing investments in China.

"To get together is easy (for Thailand and Japan). To our Japanese friends, if we can service you more, let us know!" says Piti, a self-avowed admirer of the "great team spirit" of the Japanese.

"Thailand is a great place to invest, especially when compared with other options in the (ASEAN) area," he adds.

Having created a solid foothold in the industry for IRPC, the company chief is edging closer to his target of making the Thai giant the biggest of its kind in Asia in terms of integration and complexity of its products. ♦

www.irpc.co.th



IRPC's Condensate Splitter at its Rayong province petrochemical complex.

Japanese partner moves with the times

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Ltd., which produces tires and tubes for motorcycles as well as rubber parts for vehicles, is one of The Sittipol Group's many successful joint ventures with a Japanese company (IRC Japan).

Thai Stanley Electric Co. Ltd., a maker of lighting, lamp and LED systems for vehicles, is another joint venture with a Japanese company. Another of its successful partnerships is tire valve manufacturer Pacific Industries (Thailand) Co. Ltd.

Daido Sittipol Co. Ltd., a joint venture between Sittipol and Japan-based Daido Kogyo Co. Ltd., produces and distributes motorcycle and industrial chains under the D.I.D. brand.

Although one-fifth of the market has shifted from manual to automatic motorcycles that do not use chains, the company continues to have success. To address that changing trend, Sittipol has linked up with Bando Manufacturing (Thailand) Co. Ltd., to supply rubber belts for automatic motorcycles.

Having a total of six partnerships with Japanese companies, Sittipol also distributes spark plugs assembled locally by Japan-based giant DENSO.

Staying on course

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Building further on its strong partnerships, Sittipol has also formed a joint venture with French giant Total, called Total Oil (Thailand) Co. Ltd., to produce and distribute automotive and motorcycle lubricants under the Total and Elf brands. Sittipol distributes oil for motorcycles with the Elf brand.

As Thailand's government promotes wider use of ethanol and biodiesel fuel, and boosts support for rice farming, Thanong sees expansion into parts distribution for agricultural machines, perhaps with another Japanese partner.

On top of all these growth strategies, Thanong reaffirmed his commitment to the more than 20,000 employees who work for the group.

"We never lay off employees," he emphasizes.

"We are a Chinese-Thai family. I would like to thank His Majesty The King of Thailand and the Thai people for their trust in our products. We hope to continue to serve our Thai customers, Japanese partners and all of our employees through the right strategies in the future," he adds. ♦

www.sittipol.com

out the year will include political forums, economic events, cultural exchanges and tourism promotional activities.

Perhaps, the long-serving and much respected representative of the Japan External Trade Organization in Bangkok (JETRO) sums up best the state of Japanese-Thai relationships.

"Japan's survival in the world economy is directly linked to Thailand's growth and prosperity. We are tied together for the betterment of both societies," says former JETRO chief Yoichi Kato.

For those still concerned over Thailand's political and economic environment, assurance comes from long-time finance expert on the region, Bank of Ayudhya President and CEO Tan Kong Khoon.

"Younger economies and democracies are bound to have teething problems and growing pains. But Thailand, in my belief, is reaching adulthood, thanks to the Thai people's strong work ethic and guidance from countries like Japan," says Tan.

Indeed, Thailand's future will remain heavily dependent on outside investors, chief among them Japan. But, in the long term, there is no denying that the country is nearing economic maturity. ♦

www.worldeyereports.com

Thailand

Thailand's G Steel goes for gold

Strongly benefiting from a boom in the automotive, electronics and construction sectors, Thailand's steel industry is well positioned to lead its Southeast Asian counterparts with annual demand for steel standing currently at 15 million tons.

Having achieved a leading position in the domestic market with its international-quality products, hot-rolled coil steel maker G Steel has laid down plans to increase its presence in the region and double annual production capacity from 1.8 million tons to 3.4 million tons.

"We are a local Thai company and we always want to satisfy the Thai market first. We are exporting 20 percent of our products while 80 percent remains in the local market. But we are preparing for further advancement into the ASEAN market," says President Ryuzo Ogino.

Established in 1995 by steel pioneer and tycoon Somsak Leeswadtrakul, G Steel's high-quality hot-rolled coils serve as raw materials for downstream industries, such as cold-rolled coils, galvanized steel sheets, steel pipes, structural steel products and gas cylinders.

Aside from an interest in the steel business, Somsak also oversees companies in the hotel, property and energy sectors.

G Steel's mill is one of the very few in the world that is able to produce hot-rolled coil with a thickness of just 1.0 mm.

"The construction industry is our main focus at the moment. But we are working on increasing production volume and quality with extensive expansion projects. By the end of 2009, we will be able to supply more fully the automotive and electronics sectors," says Ogino.

In 2006, G Steel acquired Nakornthai Strip Mill, now known as G J Steel, wherein it has a 66 percent stake.

"After our expansion project concludes, we will be able to produce up to 6 million tons and sell to customers around the world. We are the largest in Thailand as well as in Southeast Asia. We won't hesitate to acquire another company. This is an important direction for us," emphasizes Ogino.

Meanwhile, Strategic Manager Taveesub Jitwitananukul has identified Malaysia, Indonesia, the Philippines, Vietnam and Cambodia as the most attractive markets, and cites NGV/CNG cylinder production as a potential market segment for the company.

"We have exported to ASEAN, Europe, Canada, the Middle East, China and South Africa. This is an indication of our recognition in the world market. We can produce up to world standards," says Taveesub.

www.g-steel.com



Thai business tycoon Somsak Leeswadtrakul founded the G Steel Group in 1995 and oversees his family's interest in the hotel, property and energy sectors.

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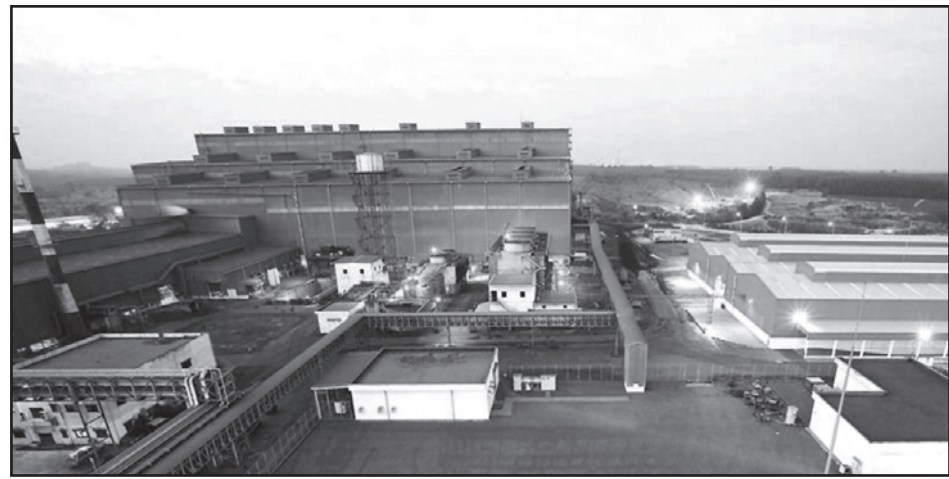
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www.g-steel.com



G Steel Group President Ryuzo Ogino (left) and Strategic Manager Taveesub Jitwitananukul. G Steel's plant in Rayong province in eastern Thailand (below right)

"We will be able to produce up to 6 million tons and sell to customers around the world. We are the largest in Thailand as well as in Southeast Asia. We won't hesitate to acquire another company. This is an important direction for us"



M.C.S. Steel PLC forges a strong position at home and abroad

Japan-made products are famous around the world for having the highest quality and meeting the toughest standards because Japanese consumers have known to be very discriminating and uncompromising when it comes to quality.

"If you can meet Japanese standards, then you can satisfy any customer," stresses M.C.S. Steel PLC Executive Chairman Naiyuan Chi.

Chi must know what he is talking about because it has been 11 years since M.C.S. Steel began exporting steel products to Japan. Today, the company remains the only Thai supplier to the Japanese construction industry, a clear sign of its strong position in the global market.

Established in 1992, Thailand's largest steel fabricating company has more than 10 years of experience in providing its products for high-rise buildings, power plants, bridges and general steel works.

A huge part of the company's success is attributed to the committed attention given to 600 employees and their families housed within the "M.C.S. Village."

"In the village, we have a children's care center, clinic, canteen, minishop, training facility, fish ponds and vegetable gardens. We find that it is better (for the company) to provide

more benefits to employees through life-enriching projects like M.C.S. Village," explains Chi.

"People have said to me, 'If you have money, why not buy more machines?' Well, I think I've proven them wrong," he adds.

By investing in its staff, M.C.S. is simultaneously contributing to the welfare of the Thai people while maintaining its competitive advantage - a highly mobile, efficient and effective workforce.

Most of M.C.S. Steel's business comes from the Japanese market but it has also built a strong reputation among Thai customers as well. Chi explains that "Thai customers will see us when they need something with higher quality and (special) time requirement."

M.C.S. Steel exports around 50,000 tons of steel to Japan each year.

"We are planning to double our capacity. At the moment we have orders through to 2010," Chi says.

Living up to its motto "To be better than yesterday, every day," Chi says M.C.S. Steel has begun to expand capacity, particularly in China, where it can expect sufficient material supply at all times from its three factories located there.

www.mcssteel.co.th



M.C.S. Steel PLC Executive Chairman Naiyuan Chi

TMT finds the right balance

Supplying metals to Thailand's booming construction industry, Thai Metal Trade (TMT) has successfully surmounted the challenge of balancing the distinct demands and different requirements of its customers and its steel mills.

Established in 1992 as a full-service steel center, TMT has grown into a major provider of consultation and steel solutions. The publicly listed company had raised its output to 250,000 tons a year by 2007 from 20,000 tons when it opened.

With over 20 years of experience in the industry, TMT CEO Paisal Tarasansombat has become an expert in satisfying both types of clients.

"The mill prefers bulk while construction developers want variety and only the quantity that they need," Paisal explains.

TMT has been promoting the increased use

of steel in construction as a greener and more efficient building solution.

While concrete involves more construction time, creates more pollution and cannot be recycled, steel can be recycled and is faster and cheaper to produce.

TMT also offers more value-added processes and functions, such as cutting and drilling, pre-coated and ready-made steel, and steel housing frames - all in line with its aim to provide customized solutions.

According to Paisal, TMT's partnership with Metal One provides even more opportunity to serve Japanese customers.

"The Japanese consider Thailand as a very important area for them. Japan is the biggest supporter of this part of the world and because of that Thailand has more potential," he says.

TMT forecasts its output to rise to 300,000 tons by the year's end while, thanks to new

projects, Paisal has his sights on doubling output to 600,000 tons in 2010.

www.thaimetaltrade.com



Thai Metal Trade CEO Paisal Tarasansombat

"The Japanese consider Thailand as a very important area for them. Japan is the biggest supporter of this part of the world and because of that, Thailand has more potential"

Two companies, one vision

It is no secret that the steel industry is thriving in Thailand, especially to the Japanese.

Over the past 20 years, JFE Steel, one of the largest steel producers in Japan, has increased its presence in the budding steel industry in the Southeast Asian country.

Quality steel producers Thai Cold Rolled Steel (TCR) and Thai Coated Steel (TCS) make up a large portion of JFE's business in Thailand.

The two companies are joint ventures with Thai company Sahaviriya Steel Industries and Japanese company JFE Steel, which has an 80 percent stake in TCS and a 38 percent share in TCR.

"TCS began in 1993 and TCR in 1997, the latter amid the Asian financial crisis. Since 2002, we have been able to turn a continuous and growing profit," says Tetsuo Inatomi, president of TCR and TCS.

Having celebrated its 10th anniversary in 2007, TCR counts Thailand's booming automotive industry as its biggest customer. And with a client portfolio consisting of the country's largest automotive companies, TCR holds the biggest market share within its specialized area of cold

rolled steel. "We are supplying every Japanese automotive company in Thailand," says Inatomi.

TCS, for its part, supplies all of the major Japanese electric and home appliance companies in Thailand.

Among the reasons TCR and TCS have held on to their strong market positions is the technology employed in their manufacturing processes.

"Something we are able to do, which our competitors cannot, is that we can take certain materials from the local market to produce general grade steel. Currently, 20 percent of our output comes from the domestic market, which allows us to provide a more competitive price for our customers while maintaining the same quality materials for this segment of the market," says Inatomi.

With strong fundamentals in place, business has been going well. TCR and TCS have no domestic competitors, and are positioned well against other foreign competition such as those from Japan and South Korea.

For Inatomi, TCR and TCS acquired their enviable market positions because of their com-



Tetsuo Inatomi, president of Thai Cold Rolled Steel and Thai Coated Steel

mitment to Thailand.

"Besides the continual development of superior-quality products and reliable technical service, the companies have a strong commitment to supporting the local community. We want to promote the education, development and quality of life of Thai people," he says.

Exemplifying that commitment, TCR has won three Prime Minister Industry Awards in the last five years and its latest, "The

Prime Minister Industry Award for Outstanding Achievement in Environmental Quality Preservation." This year, the two companies are vying for another PM award, this time for energy conservation.

According to Inatomi, it is this type of continual service to Thai society, coupled with the high-quality products that will sustain mutual growth for TCR, TCS and Thailand in years to come.

www.tcrss.co.th

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Success tailored in steel

Bangkok-based Siam United Steel has capitalized on its unique position of being located in the largest steel market in Southeast Asia, and on strong growth forecasts for the automotive and home appliance sectors.

A joint venture of Japan's Nippon Steel, Thailand's Siam Cement and South Korea's POSCO, Siam United Steel has built a strong reputation as a maker of high-grade steel products in the country, which has become one of the most important markets of the Japanese steel giant.

"As the manufacturing hub of the region, there is growing demand here for high-grade steel products - Nippon Steel's greatest strength area," says Yasushi Aoki, chief representative of Nippon Steel in Bangkok.

According to SUS President Tomomi Ohara, cutting-edge Japanese technology has played a pivotal role in the company's rise to success in the market.

SUS's facility has the capability for continuous descaling and cold rolling mill (CDCM), and for continuous annealing and processing line (CAPL), which allows for one integrated process that was previously made up of three separate processes. The new integrated process also results in less defects than traditional methods.

rate processes. The new integrated process also results in less defects than traditional methods.

Those new technologies have given SUS an annual full production capacity of 1 million tons of cold rolled steel, which goes mainly to Thailand's thriving automotive and food industries. It also supplies manufacturers of electrical appliances and galvanized-iron sheets.

SUS also boosted its position as a leader in Thailand's high-grade steels market through close contact with customers.

"We visit our customers every week and speak with them about how we can meet their demands," Ohara says.

"Many people think that steel is just another commodity but in fact, it is made-to-order like a custom-tailored suit. Of course, there are some applications that come 'off the rack,' but in the high-end business wherein we compete, every customer is different and has different demands," he explains.

According to Ohara, SUS's customized products, combined with the global experience of Nippon Steel, have proven beneficial for its customers in Thailand.

"Through our subsidiary com-



Yasushi Aoki, chief representative of Nippon Steel in Bangkok and Siam United Steel President Tomomi Ohara (seated)

panies, Nippon Steel Group strives to provide good services to all industries in order to enhance the standard of living in the region," says Aoki.

"SUS looks forward to continuing our supporting role in the growth of Thailand's economic prosperity," says Ohara.

www.nsc.co.jp

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The future for KTE is in its history

Back then, I was doing everything myself – the phones, the sales and even sending the mail,” recalls Krung Thai Equipment Managing Director Narong Pong-Acha, who presided over the company’s growth from a 10-man operation to a leading supplier of industrial products and consultancy services in the country thanks to a strong connection with Japanese companies.

When he founded KTE with his father in 1975, Narong established ties with several Japanese companies, importing their products into Thailand. More than 50 years on, the connection between KTE and its original Japanese partners still exists.

“From the early (days) of our business, we contacted many Japanese businessmen and received the great privilege (of having exclusive distribution rights of their quality products),” he says.

To date, KTE remains the sole distributor of five Japanese parts makers (TLV, Toyo, Tsubaki, Venn, New Long and Valqua) in Thailand.

Handling the business of five other parts manufacturers from four different countries, the company

claims to be the country’s leading distributor of top-quality industrial parts for various industries, including sugar, oil refining and petrochemicals.

Proud of his achievements and satisfied with his company’s position, Narong also recognizes that business has evolved much since the time of his father and KTE’s early days. So, he enlisted the family’s third generation to move the company forward under its motto: “We provide only quality.”

Narong sent his daughter to Japan to learn more about the business from KTE’s joint-venture partner Nippon Valqua Industries.

“I’m very thankful for our close relationship with Valqua,” says Narong, who used to buy products from the grandfather of the man who is now the third-generation president of Valqua.

The company chief also expresses great appreciation for all his other customers.

“We are trusted as the provider of quality, in products and service. In our heart, we take this honor as a promise that together we all will get stronger supporting each other,” he says. ♦

www.krunghaiequipment.com



Krung Thai Equipment Managing Director Narong Pong-Acha

NEC means innovation

For more than a century, NEC has been synonymous with innovation as the Japanese company pioneers cutting-edge technology in its field.

Since it provided the technology and hardware for Thailand’s rapidly growing telecommunications networks in the 1960s, the Japanese technology giant has continued to consolidate its reputation among Thai companies and consumers.

As Thailand developed its tourism and related infrastructure along with the country’s rising popularity around the world as a holiday destination, NEC readily adapted to the shift, and provided leading products and services to the tourism and hospitality sectors.

NEC Corporation Thailand President Fumiaki Yamada oversees an extensive portfolio that ranges from IT solutions (such as Virtual PC Center, or VPPC, and digital signage) to network solutions (such as IP-PBX).

With a 70 percent market share among four- and five-star hotels, and a No. 1 market share in digital projects, the Japanese electronics powerhouse has held on to its leading position in Thailand due to its strong reputation and its extensive global network.



NEC Corporation Thailand President Fumiaki Yamada

“It’s our strength because people are familiar with our name and our service. They expect the same quality of product and service (that they get from NEC anywhere else in the world), and they are very satisfied with our services here,” Yamada says.

Indeed, its reputation for innovation has also been integral to its dominance.

“The reason NEC has been around for 109 years is that we are always responding to the needs of society,” emphasizes Yamada, whose goal is to make his company the leader in IT and network fields in Thailand, as well as continue to provide the Thai market with useful products and services.

“We have the knowledge and experience. We are able to offer the best solutions. We don’t just supply the product. We also focus on after-sales service, monitoring and maintenance. If we continue to make products that make life and business easier and better, then we will be here for another 109 years,” he also says. ♦

www.nec.co.th

“We have the knowledge and experience. We are able to offer the best solutions ... If we continue to make products that make life and business easier and better, then we will be here for another 109 years”

Quality employer, quality product



Miyoshi Hi-Tech Managing Director Karen Gan

The newest addition to Southeast Asia’s Miyoshi Group has set a higher standard in corporate social responsibility in Thailand.

In a highly competitive business environment, where added value is increasingly important to customers, Miyoshi Hi-Tech Managing Director Karen Gan has stepped up efforts to raise the quality of life for her employees, knowing that happy workers make quality products and quality products make happy customers.

While some SMEs still overlook the importance of good corporate citizenship, MHT allots one workday each week for employee training or family time, and hosts monthly activities with varying themes, such as the environment, quality and safety.

Staff can also take advantage of personal development opportunities. MHT provides education and training to its staff, efforts that have raised the number of English-speaking staff by more than 10 times since its establishment in 2005 – clearly, a beneficial situation for the company and its employees.

The manufacturer, set up in 2005 in Ayutthaya, north of Bangkok, has seen tremendous growth, turning a profit within just two years and accounting for 50 percent of Miyoshi Group’s earnings.

Gan explained that Miyoshi came to Thailand to be closer to its customers.

“Because Thailand is such a logical place for our

Japanese customers, it is a logical place for us too. It is not just about cost, but the better relationship we can form by being closer to each other,” she says.

Virtually all of MHT’s clients – suppliers and customers – are Japanese companies who have factories in Thailand.

Singapore-born Gan believes that the Japanese companies show a strong preference for Thailand as the two countries have many similarities in their business environment and culture.

“The infrastructure is good, the people are great and the government is doing everything to accommodate foreign business investment,” she says. ♦

www.miyoshi.biz



Miyoshi believes its staff are just as important as its technology.

Meeting global demand for information paper

After spending a third of his 30-year career with Oji Paper in Germany, Yasuhiro Kii looked forward to his assignment to Thailand.

Since moving to the Asian country in 2004, Kii has found out that Thailand is an ideal place for the Japanese giant to conduct business.

“We have a mutual respect with Thailand, so it’s easy for us to work together. Thailand is a great place for Oji to export worldwide,” says the managing director of Oji Paper Thailand.

Thailand’s geographical position and low production costs mean that the company can supply paper worldwide.

Being the only worldwide thermal paper supplier gives Oji Paper its competitive edge, boosting the company to the No. 1 position in Thailand, with a market share of over 60 percent.

According to Kii, Oji’s dominance is based on the technology that makes the paper.

“We use the latest technology from the entire global Oji group,” he stresses.

With paper mills in North and South America, Europe and Asia, the Oji group is the only paper-maker with a global coverage.



Oji Paper Thailand Managing Director Yasuhiro Kii

“Businesses that compete globally have the convenience of having a single supplier. (We provide) worldwide service and high-quality paper,” he says.

As many companies tighten their belts amid rising production costs, Oji Paper increased capacity this year to meet rising demand for thermal paper.

Oji is the only Southeast Asian producer of thermal paper.

“Our new production line started operations in 2008 to produce thermal paper for various uses such as

ATMs, labels, tickets, lotteries and point-of-sale. With the installation of the new thermal coater, we are among the very strongest companies related to ‘information paper’ since our product lineup is made up of carbonless copy paper, sticker paper and thermal paper,” he says.

Kii stressed that Oji is committed to being a sustainable business, and is undergoing an aggressive tree-planting operation in Laos, Vietnam, China, Australia, New Zealand as well as Brazil. ♦

www.ojipaper.co.jp

Toshiba Semiconductor Thailand aspires for the top

Toshiba Semiconductor Thailand President Katsuyoshi Hirai has big plans for his business in the country.

Already one of the leading manufacturers of discrete semiconductors in Thailand, TST has plans to expand capacity and increase sales drastically in the coming years.

“I want to be the No. 1 manufacturer of discrete semiconductors in the world,” Hirai stresses.

This is obviously no small task given the tight competition around the world. But Hirai’s confidence comes from TST’s past performance (80 percent growth over three years), growing demand in Asia, as well as its strong Japanese and local workforce.

Specializing in small signal and optical devices, TST exports its products all over Asia, including to IT “hot spots” Taiwan and Hong Kong.

The Japanese giant has identified the automotive and electronics sectors as the biggest growth areas.

“Primarily, we would like to capitalize on the growth of

the automotive industry in Thailand,” says Hirai.

While becoming the world’s No. 1 maker of discrete semiconductors is an important goal, TST still prioritizes company profitability and efficiency.

The company chief also intends to strengthen TST’s role as a good corporate citizen.

“We want to continue to grow and operate successfully, and contribute to the development of Thai society. Combine this with hard work and the rest should take care of itself,” he says.

TST’s strong commitment to its local workers and Thai society has helped to shore up the business, and demonstrate its commitment to the country.

With over 1,000 Thai workers, TST ranks as one of the largest Japanese employers in the country.

“We want to give back to Thailand and the people for all we have built together,” says Hirai. ♦

www.semicon.toshiba.co.jp



Toshiba Semiconductor Thailand President Katsuyoshi Hirai

“We want to continue to grow and operate successfully, and contribute to the development of Thai society. Combine this with hard work and the rest should take care of itself”

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Surpassing veteran players

Dubbed by many as the "Detroit of Asia," Thailand looks like it has finally outgrown that label and eclipsed the car manufacturing capital of North America, which has struggled to revive its erst-

while reputation for several decades now. Established in 1996, Yokohama Rubber Thailand (YRTC) has perfectly positioned itself to capitalize on the success of Thailand's automotive industry and has become

one of the most successful suppliers in the country.

YRTC produces windshield sealants, and assembles hydraulic hoses for the automotive and construction sectors in Thailand and overseas. It supplies outside markets from Malaysia to India, and Vietnam to Hungary.

Under the guidance of President Tomoji Saitoh, YRTC has grown quickly and steadily to be No. 1 in the market. The company has over a 93 percent share of the Japanese automotive market in Thailand.

Asked how YRTC has attained this impressive achievement, Saitoh stresses three points: quality, cost and delivery.

"Quality, price and our experience with automotive companies in Japan have given us an advantage over our competition. The long history and trust we have built up with these companies has been invaluable to our success here in Thailand," he says.

But Saitoh does not seem completely content with the way the

business is positioned.

With Japanese automotive customers firmly on board, Saitoh also sees potential in the construction industry in Thailand and other Asian countries.

"The growth of the construction and development, mining and bio-energy industries in Thailand and around Asia means many excavators and other construction machines are in demand. We would like to capitalize on this demand by providing our high-pressure hoses to leading companies in this field," he says.

With a healthy outlook for 2008 and 2009, YRTC expects growth of 17 percent each year. Plans to release new rubber-hose technology for automotive air conditioning systems as early as 2009 could boost this number higher.

According to Saitoh, YRTC will continue to grow rapidly as the automotive and construction industries expand in Thailand and overseas. ♦

www.yrtc.co.jp



Yokohama Rubber Thailand President Tomoji Saitoh

'Quality, price and our experience with automotive companies in Japan have given us an advantage over our competition. The long history and trust we have built up with these companies has been invaluable to our success here in Thailand'

Asahi Glass applies crystal clear vision

When Asahi Glass, the world's largest glass group, marked its centennial in 2007, its Thai subsidiary, AGC Automotive, built a new multipurpose venue as a tribute to its employees.

"We can host a big event here, use it for training or hold meetings for things such as quality-control circles. It also has a library and karaoke. We have everything in one building," explains AGC Automotive President Yutaka Hirobe, whose initiative complements the Japanese group's corporate vision dubbed "Look Beyond."

"When I was assigned to this post five years ago, there was no clear company vision. I felt that the company's direction was not so stable," Hirobe says.

The guiding principles adopted by the AGC Automotive chief are part of the Asahi Group's more comprehensive vision to form a global enterprise. Five years on, results are already

visible. Since coming to Thailand, Hirobe's duties have included overseeing operations of the Southeast Asian region, which includes important markets such as Indonesia, Malaysia and the Philippines.

Thailand has become such an integral part of the Asahi organization that Toyota's production facilities in Indonesia and the Philippines source their glass requirements from AGC Automotive in Thailand.

"Customers choose us because we are No. 1 in the world for safety glass. The customer knows our capabilities and our reputation. We have never missed the start-up of a new model," Hirobe stresses.

AGC Automotive has achieved much success largely due to a firm commitment to align its priorities with those of its customers.

"We want to be No. 1 globally in all areas of SEQDDM (safety, environment, quality,



AGC Automotive President Yutaka Hirobe

cost, delivery, development and management) because our customers also want the same for themselves," he says.

"I am very proud that this company has established a vision and the employees love the multipurpose building," he adds. ♦

www.th.agc-automotive.com

Weaving a better tomorrow

The textile business world-wide is experiencing growing competition and consolidation, but NI Teijin Shoji in Thailand remains unfazed.

In fact, Kiyotaka Fujimoto, the recently appointed president of the company, foresees strong results for Thailand's leading textile trader, also known as NI TEISHO.

"We expect 10 percent growth next year thanks to the Thai government's strong support of the automotive sector," Fujimoto says.

The automotive sector is among NI TEISHO's biggest customers as the company is able to supply fabrics and fibers to carmakers while meeting their tight deadlines and specific requirements.

"We know Japanese standards very well, so it's more comfortable for customers to do business with us," Fujimoto points out.

"Of course, quality and price are very important. But also speed, reliability and good communications make customers very happy. That's very important to us," adds the company chief, who is driven by the company's core values of "Coordinate, Compound and Convert."

Fujimoto points out that his company was the first textile trader in Thailand to provide a converting function, which was transplanted from Japan.

With such well-established local foundations, Fujimoto believes Thailand will serve as a gateway to the emerging production base in India and further assist the business to serve customers expanding into Southwest Asia.

NI TEISHO gains its advantage through its ready access to technology, information and expertise



NI Teijin Shoji Thailand President Kiyotaka Fujimoto

from its global operations.

Meanwhile, Fujimoto has prioritized employee training in line with objectives to strengthen local

business and make the company fully self-sufficient and sustainable. ♦

www.ni-teijinshoji.co.th

Country File

Population: 65.49 million
Area: 514,000 sq. km
Capital: Bangkok

Currency: Thai baht (THB)
Ave exchange rate: \$1 = 35.80 THB

GDP (PPP): \$519.4 billion
GDP real growth: 4.8%
GDP per capita: \$7,900

Unemployment: 1.4%
Inflation: 2.2%

Industries: Tourism; Textiles and garments; Agricultural processing; Beverages; Tobacco; Cement; Light manufacturing, such as jewelry and electric appliances; Computers and parts; Integrated circuits; Furniture; Plastics; Automobiles and automotive parts

Total exports: \$151 billion

Total imports: \$125 billion f.o.b.

Main export markets (% share): U.S. (15%), Japan (12.6%), China (9%), Singapore (6.4%), Hong Kong (5.5%), Malaysia (5.1%)

Main import markets: Japan (19.9%), China (10.6%), U.S. (7.5%), Malaysia (6.6%), UAE (5.5%), Singapore (4.4%)

Source: CIA World Factbook



Denso rakes in awards

Just four years in the country, Denso Thailand Managing Director Akeshi Kumagai has remained focused on his mission to transform the auto parts manufacturer into what he calls "a global-level company."

As he raised the quality, productivity and efficiency of Denso's operations in Bangkok, Kumagai has also won a string of awards in the process.

From 2005 to 2007, the company bagged the annual Prime Minister's Industry Award. And this year, Denso received Toyota's Overall Outstanding Performance Award, a huge source of pride for the maker of advanced automotive technology, systems and components.

"Toyota is our biggest customer, so this is a very important award," points out Kumagai, who also spent five years in Detroit, the car capital of North America.

After 30 years with Denso, the company chief believes that the best way to strengthen the company is by achieving sustainability and empowering his employees.

"I'm trying to inspire our staff to be the initiators of our competitiveness. Good work only comes from high pride and motivation," he says.

Kumagai thinks that Thailand became Southeast Asia's premier hub of automotive production because the local industry managed to build a strong foundation and obtained vital support from its suppliers.

"That's why we set up regional headquarters in Thailand. From here, we provide many support functions such as accounting, logistics, information systems and a technology center for Denso in the

'From here, we provide many support functions such as accounting, logistics, information systems and a technology center for Denso in the whole region.... We have operations in every ASEAN country while our competitors are in no more than two'



Denso Thailand Managing Director Akeshi Kumagai

whole region," he says.

Kumagai has no doubt that Denso remains the undisputed leader in the industry in the region.

"We have operations in every ASEAN country while our competitors are in no more than two," he says.

"This enables us to capitalize on the free-trade agreements between all of these countries," he adds.

In what should boost Denso's edge over rivals, Toyota selected Thailand as the main center of production of its hybrid vehicles, with Denso being the supplier of many of their components.

As part of a five-year plan, Denso will further develop its after-market business and expand the workforce in its headquarters five-fold.

"The key to developing the company is to develop good people. How we hire and train staff is just a part of our contribution to society," Kumagai says. ♦

www.denso.co.th

Yamaha sees success in lifestyle marketing

Thailand is a nation of motorcycle users. A very practical mode of transportation to deal with heavy urban traffic and high gasoline prices, motorcycles have experienced a resurgence in popularity and Thai Yamaha Motors has been leading the pack.

Established in 1964, Thai Yamaha is an industrial pioneer. In fact, a recent survey ranked the Japanese company as the sixth most recognizable brand out of 1,500 companies in Thailand.

With a new business strategy and a fresh marketing approach, Thai Yamaha is determined to dominate the market and further exceed customer expectations.

"We have spent the past eight years rebuilding our structure. We have done our best to develop the best models, expand our dealer network and spread Yamaha's culture to the Thai market," says CEO Takahiko Goan.

With 450 outlets all over Thailand, Yamaha has prioritized the development of its network.

In 2003, the company implemented a new strategy called "Lifestyle Marketing" to provide customers with a more total Yamaha experience.

Dealer showrooms across the country were transformed into hip hang-outs called "Yamaha Squares," where customers can browse the latest motorcycle models, relax at the in-house coffee shop, surf the Internet and shop for original riding apparel.

"We hold a 26 percent market share and this figure increases every year. We are very strong in the Bangkok area and in the high-priced segment. This growth would not be possible without the full collaboration of our employees and extensive dealer network," says Goan.

Thai Yamaha recently opened the Yamaha Riding Academy to offer training courses for motorcyclists, emphasizing traffic laws and road safety on a nationwide scale. As the parent company's first permanent training facility outside of Japan, it is also Southeast Asia's first high-standard motorcycle test-drive track.

"We are a manufacturing company, but our goal is not simply to assemble and sell. In Thailand, we would like to give customers a richer and safer life with our products. This is the Yamaha commitment," says Goan. ♦

www.yamaha-motor.co.th



Thai Yamaha Motor CEO Takahiko Goan



On the auspicious occasion of our 90th anniversary,

the Sittipol Group,

on behalf of our Board of Directors,

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for their long-standing patronage.

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a great opportunity to keep our business growing.











Thailand

www.worldeyereports.com

Thailand's top energy-drink maker taps into Asian market

Today, energy drinks have become a popular beverage for many people keeping up with this high-demand, fast-paced world. As the fastest selling category in the beverage industry, worldwide demand for energy drinks continues to surge, particularly in Asia, which accounts for over half of the world's sales. Osotspa Co. Ltd., the top player in Thailand's energy-drink market, plans to capitalize on this growth with a strategy to expand its energy-drink business country by country, emphasizing huge brand investments in high-growth and high-demand markets.

A division of the manufacturing and trading conglomerate Osotspa International Co. Ltd. (OSI) was established to handle the group's international markets. "Many people do not know that the original formula for energy drinks has its roots in Thailand. In terms of taste, Thais have special knowledge. This is our strength," says President Soonthorn Kengvibul.

In Thailand, Osotspa remains the leader, with a 67 percent share of the domestic energy-drink market, while world-renowned Red Bull holds a mere 19 percent. After meeting some difficulty in challenging the global success of Red Bull (the undisputed leader in Europe and the United States), OSI has switched its focus and tapped into major markets in Asia, where for more than a decade it has established operations in several major markets, such as Indonesia and the Indochina region.

"Other than those existing markets where we have firm bases, we will attack additional Asian markets where we are not well covered as a Thai flagship brand. With over 30 years of in-house expertise in energy-drink production, OSI has the most product variety and can serve all walks of life," says Soonthorn.

The company also plans to expand its business through joint ventures with local partners. It has set up subsidiaries and representative offices in China, Austria, Indonesia and the U.S.

OSI will handle all marketing activities with a vision to promote its products across Asia using a unified brand image.

The company will focus on the non-carbonated



Osotspa Co. Ltd. President Soonthorn Kengvibul

energy drink M-150, the flagship brand of Osotspa and top-selling drink in the Thailand energy-drink market. This strategy is due to the over-saturation and stiff competition in the carbonated energy-drink segment.

"In Asian countries, non-carbonated (drinks) are consumed by the majority. We actively pushed Shark in the past, but now we are more focused on the M-150 non-carbonated product. We are going to have a regional marketing campaign using a new image model that we will launch next year," he says.

Soonthorn is aiming for a 40 percent growth in sales revenue in 2009 and predicts that the company's products will overtake Red Bull within seven years.

"How can we fight? We have learned through trial and error, and now we know our strengths. We will emphasize our product differentiation and combine this with aggressive brand building. We will be the pioneer for Thai brands going abroad," says Soonthorn. ♦

www.osotspa-international.com



The non-carbonated M-150 is Osotspa's flagship brand and the top-selling drink in Thailand's energy-drink market.

"Many people do not know that the original formula for energy drinks has its roots in Thailand. In terms of taste, Thais have special knowledge. This is our strength"

Boon Rawd brews success in Asia

Thailand's first brewery, maker of the signature Singha beer, this year celebrates the 75th anniversary of its founding by Boonrawd Sreshthaputra along the banks of Bangkok's Chao Phraya River. Today, the company remains in the hands of the family and is led by third-generation descendant Santi Bhrom Bhakdi.

Throughout the years, Boon Rawd has diversified into an award-winning brewer and beverage maker, exporting its globally recognized products worldwide.

Santi is clear on the key ingredient in Boon Rawd's recipe: "Transparency! We do the right things. We live as a good citizen and don't cut corners."

This principle is one of many that has helped Singha obtain the largest market share for beer in Thailand.

Domestically, the company sees strong growth in the beer segment dominated by Singha. It expects local demand to grow 6 percent next year to 1.2 billion liters by inaugurating a new facility in 2009.

Aside from Singha, Boon Rawd sells other beer varieties, soda water, drinking water, ready-to-drink fruit juices, ready-to-drink coffee and tea beverages under various brands, such as Thai Beer, Leo, Moshi and B-ing, a flavored vitamin functional drink.

Having collected a bevy of awards in "beer capitals" such as Brussels, Osaka, America, Australia and New Zealand over the years, Boon Rawd recently launched a campaign on the Asian beverage market.

In the words of the president, "you have to dare to challenge the outside world."

"We do the right things. We live as a good citizen and don't cut corners"



Boon Rawd Brewery CEO Santi Bhrom Bhakdi

The company sees great opportunity in Southeast Asia and is looking to the region for substantial growth, beginning its expansion with beer, and later moving into other beverages and even snacks.

Boon Rawd has already established a presence around Southeast Asia and is by no means a stranger to international partners.

It has formed joint ventures in Thailand and the rest of Asia with various international brewers and distributors, and Santi believes that there is more room for Boon Rawd and other Japanese partners to collaborate in the near future.

The company chief admires what he sees in the Japanese business approach.

"Thais and Japanese trust each other, so the relationships are already there," he says.

Thais and Japanese have long been working and living together, and now, according to Santi, they can grow together in the new era.

Knowing too well that strong tactics must back up every ambitious strategy, the president has a positive mind-set for this new era. "Tomorrow is better than today. But it is not enough to have a vision," he adds. ♦

www.boonrawd.co.th

A history of 'greatness'

K-Line Thailand Managing Director Mike Kochi is very proud of his company's history, activities and prospects in the country with much reason.

"K-Line has been involved from Day One, when many Japanese companies began to move their manufacturing overseas to Thailand. We were the first and only Japanese shipping and logistics provider supporting every one of these companies," Kochi recalls.

"During this time, since K-Line was the only company of its kind, many customers requested that we provide services that we were not providing at the time. What else could we do but meet their demands?" he adds.



K-Line Thailand Managing Director Mike Kochi

And years later, K-Line has not ceased pushing boundaries to meet all the demands of its many high-profile customers.

With its three core business areas (shipping, logistics and husbanding), K-Line has become a one-stop service for clients.

Accounting for 75 percent of its business, logistics appears to be where K-Line's continued growth lies, according to Kochi.

"What we provide with our logistics business is a window to the vast range of services we can offer all current and potential customers," says the company chief, who points out that K-Line has succeeded in enlisting a robust portfolio of influential Japanese companies in Thailand such as automotive manufacturers.

Meanwhile, that achievement has posed extra challenges that K-Line has welcomed. "Japanese customers are very demanding. This is why we must always strive to improve our service level," he says.

So, Kochi has chosen to lead by example with regards to customer service. "Very often, I visit customers on a one-on-one basis to foster mutually beneficial and trusting relationships. This one-on-one service is not something all of our competitors can provide," he says.

With the company's 45th anniversary in Thailand approaching, Kochi has not planned any celebration but has chosen to focus on further improving K-Line's service in the country instead.

"Now we must focus on continuing to provide better services than our competitors while fulfilling our duty as the longest-serving Japanese shipping and logistics company in the country. I look forward to doing just this," he says with a smile. ♦

www.kline.co.th

Sophisticated logistics solutions at every level

Ahead of its 20th anniversary in the country next year, Hitachi Transport System in Thailand (HTST) is determined to launch itself as a global logistics company by enhancing its services and expanding its activities to attract new customers.

"Our top priority is to get our new business on track. We are working with our partners to maximize the efficiency of our container trucking and our Thailand-Malaysia cross-border trucking service, the Peninsula Express," explains newly appointed Managing Director Shunichi Oinuma.

Based in Japan, Hitachi Transport System established operations in Thailand in 1989, and steadily built a solid reputation for quality and service. It has eight offices nationwide and 370 employees.

HTST's services include factory logistics, consulting and machinery installation, as well as third-party logistics (3PL) service, which allows customers to outsource their logistics needs.

"As an expert in business logistics, we have a lot of experience in the 3PL field. Hitachi Transport System is the leading company in the 3PL market in Japan. We can make use of this knowledge to assist our customers in Thailand," says Oinuma.

Servicing mostly companies within the Hitachi group, HTST has tapped its extensive network to acquire new customers, particularly in the country's thriving automotive and electronics industry.

"Thanks to our domestic and global network, we have the experience and know-



Hitachi Transport System Thailand Managing Director Shunichi Oinuma

how to support all of our customers' logistics activities. We can assist Thai and Japanese companies that want to establish themselves in Thailand," he says.

As transport costs rise together with oil prices around the world, Oinuma is single-minded about his goal to bolster his company's global position.

"It will be challenging but under these conditions, we will develop new customers and create new business to reach our target ratio of 50 percent by 2010. We will work together to achieve this goal," he says. ♦

www.hitachi-hb.co.jp

Thoresen Thai Agencies now well positioned to build a global business

When M.L. Chandchutha Chandratat joined Thoresen Thai Agencies as managing director in 2005, the country's largest maritime business group was predominantly involved in the owner-



A market leader in dry bulk liner services between Asia and the Middle East, Thoresen Thai Agencies will also strengthen its offshore business due to predicted growth in oil and gas exploration.

ship and operation of dry bulk ships, which made up 96 percent of its total revenues and profits.

After more than three years at the helm, Chandchutha has since diversified the company's business mix and overseen its successful expansion in offshore oil and gas services.

"The plan is to build on the strong foundation left by my predecessor and raise the group up to another level. Through a lot of hard work, education, hand-holding and of course good fortune, we have been able to reposition the group to become a more diversified entity, with more assets and a stronger financial position with minimal disruption," he says.

A market leader in dry bulk liner services between Asia and the Middle East, Thoresen has increased its total assets by 90 percent in just 2½ years and doubled its market capitalization.

Recently, financial magazine Asiamoney ranked the Bangkok-based company at the top of its list of Thailand's best-managed midcap companies.

Dubbed by Chandchutha as "a year of firsts," 2007 saw significant developments in line with its strategy to diversify and equip the group to play on a regional and global scale.

"For the first time in Thoresen's history, the company launched a new building program, with five new build dry bulk vessels to be delivered between 2009 and 2012. Our



Thoresen Thai Agencies Managing Director M.L. Chandchutha Chandratat

first new build contract was signed with a Japanese company, Oshima Shipbuilding Co. Ltd.," says Chandchutha.

Thoresen also became the first private shipping company in Thailand to conclude an export credit financing transaction from the Japan Bank for International Cooperation and from Nippon Export and Investment Insurance for the Oshima new builds.

"We look to Japan as a major source of our future capital expenditure requirements and as a financier for our various investments. We have not entered into a partnership with a Japanese company but we are

working on a potential deal with a major Japanese trading house. We hope to do more," he says.

Given the differences in scale and the market outlook of a multiyear downturn in dry bulk freight rates, Thoresen intends to further build its offshore business due to predicted growth in oil and gas exploration, and production spending.

"Our corporate strategy has always been to select niches in which we can thrive. In the past three years, we doubled our market capitalization and we want to double it again. This is the next frontier," he says. ♦

www.thoresen.com

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