



# Faithful partners celebrate 125 years of fruitful ties amid economic volatility



Japanese automaker Toyota Motor, whose factory in Thailand appears above, has maintained its leading position in Thailand, which has remained the undisputed automotive center in Southeast Asia.

In Thailand's evolving and sometimes volatile political and economic landscape, Japanese trade and investment continues to be a faithful partner in shaping the southeast Asian country's future.

Over the years, Japan and Thailand have steadily built and strengthened their cultural and business relationship, and in 2012 they will celebrate the 125th anniversary of the establishment of mutual diplomatic ties between the two countries.

In turn, Thailand has proven itself a faithful partner to Japan in Japan's time of need. Earlier this year, Tohoku was struck by one of the most powerful earthquakes to hit Japan in its history, unleashing a tsunami that further devastated coastal towns and farm and industrial land. Together, the disasters killed more than 13,000 people, with thousands more still missing. Thailand and its people wasted

no time in rallying together to do their part to aid Japan. The royal family of Thailand was involved in the relief efforts.

Their Majesties King Bhumibol Adulyadej and Queen Sirikit



Japanese Ambassador to Thailand Seiji Kojima

donated \$165,000 to the victims. Princess Ubolratana gave more than \$320,000 worth of survival kits and another \$64,000 worth in cash and blankets. Crown Prince Maha Vajiralongkorn contributed over 20,000 blankets.

On the whole, donations from the Thai public have surpassed \$7.92 million, while the Thai government has pledged over \$6.57 million in further aid.

"We are truly grateful to the Thai royal family, and to all the Thai people, who have contributed to Japan in this dramatic time. The many letters of support and sympathy we've received have been truly overwhelming, and we will never forget what the Thai people have done for us," says Japan's Ambassador to Thailand Seiji Kojima.

The outpouring of sympathy and help is just one more facet of a deeply intertwined relationship

CONTINUED ON PAGE B3

# New focus turns oil into green energy

One of Thailand's biggest petrochemical players, IRPC, a subsidiary of local oil giant PTT Group, has launched its Phoenix Project – a groundbreaking renovation and growth plan aimed at bringing the company up to the level of Asia's largest integrated petrochemical companies by 2014.

The project, already fully integrated into IRPC's business process, involves literally making over the entire company. Among its effects is the changing of the supply chain management system. The approach to improving the way the company's employees work is also reversed from a former top-down system to the new bottom-up methodology.

"We can now really listen to the markets and our customers. We want to use the full potential of our knowledge and R&D (research and development). Our products are both green and specialized, and we want to continue to pioneer green development," says PTT CEO Pailin Chuchottaworn, former president of IRPC who oversaw IRPC's evolution from a resource-based business to a knowledge-based operation.

A major component of the project is the Green Industrial Park in Rayong, southeast of Bangkok. Although not yet completed, the park has already received the first Gold Standard Award in Thailand.

"In fact, we are already envisioning a post-Phoenix era, in which we will focus more on power generation. Instead of expanding, we are optimizing and upgrading our facilities and computerizing the company even further in order to match the demand for energy development. We are also diversifying our product portfolio and focusing more on innovation and R&D. In the wake of the earthquake in Japan, the world is realizing that it needs to change its energy consumption system," says Pailin.

This evolution will be essential to the future success of IRPC.

"With the current energy situation and fluctuation of oil prices, even the best refinery will not make it in the long run. This is also why we are going in this new direction. Thinking forward is key to maintaining our position and continuously contributing to the success of Thailand," he says.

Pailin stresses that the goal is to have an upgraded and diverse range of products and services that will generate the highest income and return on investment, which will be achieved by staying true to IRPC's ethical principles and commitment to develop a greener Thailand.

"This is where the industry is going. In five to 10 years, we will see that present trends, such as the electric car, will have been fully realized. We are evolving and preparing ourselves for this development. We are also pushing our oil products toward the petrochemical business. On the supply side, these petrochemical products will increasingly focus on specialty and clean products," Pailin says.

"We have a set of criteria and will do a proper pre-screening of every company before it is allowed to operate in the industrial park. It is important to set an example and help develop sustainable industries. We are also allocating a specific area of the park to software businesses," he continues.

"IRPC plans to showcase how the company and community can coexist. I want to set up a first-class technology university in Rayong. This is how we want to show our good will and give back to the people of Thailand, now and in the future," he also says.

Chairman of PTT Asahi Chemical, Pailin has a strong affinity to Japan, where he studied in the Tokyo Institute of Technology for his master's and doctorate degrees. He is also a member of the Thai-Japan Technology Promotion Association and the Petroleum Institute of Japan.

"I have taken a lot from my time in Japan. The system there focuses very much on apprenticeship and takes care of its younger students. That care, the discipline to work hard and the push to always become better are some things that I use in my work every day," he says.

*'We have a set of criteria and will do a proper pre-screening of every company before it is allowed to operate in the industrial park. It is important to set an example and help develop sustainable industries. We are also allocating a specific area of the park to software businesses. IRPC plans to showcase how the company and community can coexist.'*



Pailin Chuchottaworn is the president, CEO and director of PTT Public Co. Ltd. and former president of IRPC Public Co. Ltd.

Meanwhile, IRPC has had a very close relationship with the Mitsubishi Group, and both IRPC and PTT maintain several joint ventures with Japanese companies.

As Pailin stepped into his new role as CEO of PTT, he remained mindful of the group's values and commitment to Thailand and its people.

"The PTT Group was started to fulfill two main goals: to ensure national energy security and increase the national wealth. This is why we are here, nothing more and nothing less, and these values must not be forgotten," he says. ♦ [www.irpc.co.th](http://www.irpc.co.th)

**JVC Everio**

For more info: [www.facebook.com/JVCThailand](http://www.facebook.com/JVCThailand)

Complete Experience beyond the time, with 3D Visual and Sound Recording with **JVC GS-TD1**

Prompt Upload  
f YouTube  
From MediaBrowser 3D

1080P AVCHD X2C HDMI Full HD 3D camcorder offering full-fledged 3D recording in Full HD through its twin-lens structure

# Innovation keeps JVC ahead of the pack

In March this year, JVC made history with the unveiling of the world's first full-HD (high-definition) 3-D consumer camcorder, the GZ-TD1. Easy to operate, this new model has a revolutionary new feature that may finally spell mass success for the 3-D sector: Users are able to view actual three-dimensional images on its 3.5-inch touch-panel LCD monitor without the need for special glasses.

Since its establishment in 1927, the JVC brand name has been synonymous with high-quality products combined with cutting-edge technology. Through the years, the Japanese audiovisual giant's steadfast commitment to innovation has solidified its reputation as a leader in the field of home entertainment systems.

In 1976, JVC introduced the first-ever VHS home video recorder, which became the world standard for video and effectively revolutionized the culture of audiovisual communication. Today, the company is one of the most trusted names in the electronics industry.

This month, the JVC Group consolidated its position following a merger and the launch of the JVC Kenwood Corp.

"At JVC, we strive to provide our customers with services and products that are both enjoyable and memorable. We try to create a state of mind in which, when customers think of an audiovisual product, JVC is the first name that occurs to them," says JVC Sales and Service Thailand Managing Director Teruaki Sato.

With regard to the company's 3-D products, Sato remarks: "With this added dimension to audiovisual communication, our clients are able to relive certain memories more vividly, providing them with a new sense of reality. This allows them to have a more complete and emotional experience."

Though the electronics industry is becoming in-



JVC Sales and Service Thailand Managing Director Teruaki Sato

creasingly competitive in today's jungle of brands, JVC's name continues to stand out. It has managed to separate itself from its competitors through its high-quality standards and innovative approach to the audiovisual experience.

"Continued innovation is one of our greatest strengths and it is because of this that we are able to produce unique niche products. We are always looking to serve and develop the Thai market and help our customers enjoy their lives as well as our products," Sato explains.

Looking ahead, JVC plans to expand its reach and influence beyond home entertainment and audio systems.

"Sometime in the future, we are looking to diversify our products and produce goods for other sectors, such as the medical and securities industry," he says. ♦ [www.jvc.co.th](http://www.jvc.co.th)

# SCG aims for leading position in ASEAN

In 2003, Thailand's SCG had a few hundred employees working abroad. Today, that number has jumped to 6,528 and is certain to increase in the next few years. By 2015, SCG aims to have at least 25 percent of its workforce reside outside Thailand from the current 19 percent.

"Thailand has a population of 65 million, and ASEAN (Association of Southeast Asian Nations) has well over 600 million. It is time to actively expand our business outside Thailand to establish our operations in the region," says SCG President and CEO Kan Trakulhoon.

The ASEAN market may appear limited when compared to the global market, but in terms of business scale, it is a large, growing market. SCG is preparing to expand and face the global players operating in Thailand and the region by focusing on value-added products and services that will serve customers better and enhance their quality of life.

Over its 98-year history, SCG has diversified into five business units: chemicals, paper, cement, building materials and distribution. Today, the group has more than 100 companies and employs 34,000 people in total.

"The key to our success can be attributed to two main factors, our people and the four core values we instill in them: adherence to fairness,

CONTINUED ON PAGE B4



Siam Cement Group CEO Kan Trakulhoon

This report was prepared prior to the flooding that is currently affecting Thailand. World Eye Reports would like to express its concern for those affected by the disaster and to offer its wishes for a rapid recovery for everyone and all companies concerned.

# Siam Kubota reaffirms commitment to Thailand

Accounting for 11.4 percent of gross domestic product, agriculture remains one of Thailand's strongest sectors for economic growth. And as markets change, the need to adapt and acquire more advanced technology is no longer just an option. It is a necessity.

Siam Kubota was established mainly to provide a wide range of machinery to meet the diverse needs of the Thai agricultural sector. A joint venture between Kubota Corp. and SCG, the company aims to be a leader in sustainable agricultural development in Asia.

"We are here for the Thai society, to help Thai farmers and accommodate all their application needs. I believe our success stems from our strong commitment to enhance customer satisfaction," says Siam Kubota President Masatoshi Kimata.

"We want to provide solutions to give a better life to farmers. For example, we are conducting a soybean and rice field expansion project. Rice planting season normally lasts six months. For the remaining six months, we recommend that they plant soybean to make use of their land and earn additional profit," Kimata adds.

The firm operates two manufacturing facilities in the country using advanced technology, quality control and personnel. It also has nationwide service centers in Thailand and service centers spread across Cambodia, Laos and Myanmar.

"The harvest season is very busy and it is important that we provide quick and efficient service to our customers. If they need assistance, their call is automatically transferred to the closest service center in their area. Personnel normally arrive within one to two hours after the call," explains Kimata.

Siam Kubota dealers have also implemented a "1-5-12" after-sales service program.

"This means that once a customer buys our product, our dealer must visit them on the first, fifth and 12th month to inspect the machine. We want to make sure everything is working properly. We do this because our customers are important to us and we want to maintain and strengthen our relationship with them," ex-

plains Executive Vice President for Sales and Marketing, Takashi Arimori.

"Aside from immediate customer response, our dealers make it a point to conduct regular product demonstrations and training courses to show customers how our products work," Arimori adds.

Compared to 2010, the agriculture industry has posted stronger growth this year, with demand for sugar cane, rubber and biofuels increasing because of the automotive sector.

"Our sales increased 25 percent from 2009 to 2010. Thailand, the neighboring countries, and the United States are the most important markets for us. Our goal is to reach between 34 to 35 billion Thai baht in sales this year by raising the quality and quantity of our sales network and increasing the number of product demonstrations," says Kimata.

"Our mission is to expand in ASEAN and contribute to social development through products, technology and services relating to food and the environment. We will make every effort to make our factories in Thailand the best ones of Kubota. Our most important goal is to improve the quality of all customers' life through our products and activities," he adds. ♦

www.siamkubota.co.th



Siam Kubota President Masatoshi Kimata



Siam Kubota's Amata Nakorn Plant in Thailand

# Thai and Japanese synergy builds Asian chain of success

After 15 years of operations in Thailand, Daido Sittipol — a joint venture between Thailand's Sittipol 1919 and Japan's Daido Kogyo — has acquired an impressive array of clients. Now it is looking beyond its borders to Indonesia, Vietnam and India for continued growth.

The company was founded in 1996 with the sole purpose of producing and distributing motorcycle chains under the D.I.D brand. Current clients for its motorcycle drive and cam chains, automotive cam chains and related products include Honda, Yamaha, Suzuki, Kawasaki and Toyota.

"We already have a firm grasp on the local market; that's why we are looking to expand our reach and influence," says Managing Director Hirofumi Araya.

The new strategy from the Thailand base includes increasing exports to Indonesia and Vietnam while building a new factory in India to take advantage of the subcontinent's huge market. Over the years, Daido Sittipol has kept an edge over its competitors through constant innovation, and it plans to use these advantages in its expansion as well.

Excellent quality, cost and delivery have also been some of the keys to the company's success.

"As our market share grows, we continue to have a strong client base because we understand our clients' needs and are able to satisfy their demands," he continues, stressing the importance of customer satisfaction.

For him, success hinges on providing excellent service and producing high-quality products — both of which cannot be achieved without highly trained and supportive staff.

"Training our Thai operators is of the utmost importance. They must understand the purpose of their work in order to do their jobs well. We constantly send local operators to Japan, and Japanese staff to Thailand. I believe this exchange of knowledge and skills is beneficial for both parties," says Araya. "Our Japanese and Thai employees enjoy a very tight-knit relationship, which allows for smooth communication."

"In Japan, Daido Kogyo is known for its high standards in the areas of quality, cost and delivery. I am making every effort to instill those values here," he explains.

As well, strong support from Daido Sittipol's parent companies have been crucial.



Daido Sittipol Managing Director Hirofumi Araya

"We are very thankful for all the help we have received from the Sittipol Group and Daido Group. Without them, our success would not have been possible," Araya concludes. ♦

www.daidosittipol.com

*"Training our Thai operators is of the utmost importance. They must understand the purpose of their work in order to do their jobs well. We constantly send local operators to Japan, and Japanese staff to Thailand. I believe this exchange of knowledge and skills is beneficial for both parties."*

# New acquisition positions KWE perfectly

In a bid to consolidate its global position, Japanese logistics giant Kintetsu World Express Thailand (KWETH) acquired Thai counterpart TKK in June, a move that doubled its workforce and freight handling capability, and expanded its warehouse space.

"Our merger with TKK has made operations even smoother. It directly benefits our customers and enables us to provide total logistics services," says President Mineo Suzuki, whose priority is to catapult the company to within the top five of the Thai Airfreight Forwarders Association's rankings by 2015.

"My strategy is to further expand our air and sea forwarding services. We are looking to double our warehouse facilities to 100,000 sq. meters within the next three years to accommodate the needs of our clients. I also believe the

timing is right to increase our cross-border truck services between Thailand and countries like Singapore, Laos, Vietnam and Cambodia," he adds.

On the domestic front, the company is focusing on the automotive, consumer electronics and garments industries while offering clients value-added and complementary services such as accounting, brokerage and IT support.

The acquisition has been one of the biggest outside Japan.

The new subsidiary is also securing proper certifications to serve the petrochemical and pharmaceutical industries within the next few years.

Suzuki is optimistic about Thailand's economic outlook and political stability following the recent national elections.

"Many investors and manufacturers in the region, not only Japanese, believe that the new government and increased political stability in Thailand send a strong and positive signal to the business community. This will benefit both the local economy and the country as a whole," he says.

Following the devastating earthquake and tsunami in northeastern Japan earlier this year, KWETH continues its intense efforts to help in the country's recovery and normalize business between the two sides.

"The relationship between Thailand and Japan is very close and has a long history. In addition, the governments in both countries have always helped and supported each other," Suzuki says. ♦

www.kwe.co.th



Kintetsu World Express (Thailand) President and COO Mineo Suzuki

*"Many investors and manufacturers in the region, not only Japanese, believe that the new government and increased political stability in Thailand send a strong and positive signal to the business community. This will benefit both the local economy and the country as a whole."*

**KUBOTA**  
For Earth, For Life

The leader in agricultural machinery business in Asia

SIAM KUBOTA Corporation Co., Ltd.  
101/16-24 Moo 20 Nararakom Industrial Estate, Tambon (Khaoyai) Sub-district, Pathumthani 12122  
Tel: +66 (0) 2909 0300 Fax: +66 (0) 2909 1698 www.siamkubota.co.th

THE WORLD'S NO.1 MOTORCYCLE CHAIN

**D.I.D.**  
Racing Chain  
Powered by Technology

DAIDO KOGYO CO., LTD.  
http://www.did-daido.co.jp

DAIDO SITTIPOI CO., LTD.  
http://www.daidosittipol.com

**OTC**

PREMIUM WELDING SYSTEM

www.otcdaihenasia.com

# People power drives electronics firm's growth in Asia and beyond

Over the past 50 years, Japanese electronics maker Funai has built a network that encompasses Asia, North America and Europe, and acquired a reputation for manufacturing top-quality audiovisual, information and digital terrestrial equipment.

"Our strengths lie in our productivity and quality, which is possible because of the Funai production system. Our production system is designed to adapt to changes and allows us almost unlimited increases in productivity," says Funai Thailand Managing Director Hirofumi Nagaoka.

Funai relies on people skills more than other electronics companies. "We focus more on manual labor than automated production because I believe that if workers are highly skilled and trained then they will be able to do things more accurately than machines," Nagaoka adds.

With one major factory located in China, Funai continues to diversify and boost its capacity while increasing output in its Thailand facility, which has been in operation since 2003.

"In the ASEAN (Association of Southeast Asian Nations) region, Thailand has the most favorable environment for investment because of its strategic location, combined with its excellent infrastructure and social conditions," Nagaoka says.

Mainly producing LCD TVs, Funai's factory in Thailand had a production volume of approximately 700,000 units a year in 2010. But the company plans to double its production capacity and volume by next year.

"We are hoping to place more emphasis on our factory in Thailand. With its important role within the group, there is a renewed sense of responsibility in dealing with the ever-increasing demand for our products," Nagaoka says.

"At the moment, we are running at full capacity, but we intend to satisfy this demand by continuing to expand our factory, while ensuring



Funai Thailand's factory in Bangkok and Managing Director Hirofumi Nagaoka

that we provide the best quality products," he adds.

With the growing demand, Nagaoka plans to increase Funai's product lines and possibly set up a new factory within the next two years. The expansion is in line with the company's objective to reach new markets.

"In the near future, we plan to widen our global network not only by continuing to expand our market within Thailand, but also to enter new markets such as India and the Middle East," Nagaoka explains. ♦

www.funaiworld.com

# Thailand

## Faithful partners celebrate 125 years of fruitful ties amid economic volatility

CONTINUED FROM PAGE B1

between the two countries that dates back over half a millennium, since ancient ties between Ryukyu (now Okinawa) and the Siamese capital of Ayutthaya.

A sizable number of Japanese live in Thailand today, and the same can be said for Japanese direct investment in the form of companies who have established a presence in the country.



**JETRO Thailand President and Chief Representative for ASEAN and South Asia Munenori Yamada**

The Japanese Chamber of Commerce (JCC) in Bangkok lists a total of 1,330 members. Their research indicates that there are approximately 7,000 Japanese companies in the country today.

"When you ask Japanese what would be the ideal destination for investment, Thailand would be on top of their list. We have a well-balanced supply chain, so it is easy to start a business here," says Payungsak Chatsutipol, chairman of the Federation of Thai Industries (FTI).

Japan continues to be the second largest exporter and the largest importer for Thailand.

The Japanese account for over 40 percent of the country's foreign investment. Furthermore, the 2011 earthquake and tsunami also caused many small to medium-size Japan-based companies to establish their main base of operations in Thailand.

"Japan is the biggest investor in Thailand," Payungsak says. "Japanese companies are involved in nearly all sectors: including autos, electronics, electrical appliances, petrochemicals and food. They are one of the key factors driving the Thai economy. Sixty-five percent of our GDP comes from our exports. We foresee that the Japanese will only keep increasing their investments in Thailand."

In 2006, trade between both countries totaled \$987.80 billion. Since then, this has increased by 24 percent in only five years — totaling \$1.22 trillion in 2010.

With its strategically central position in southeast Asia and relatively short delivery times to surrounding markets, Thailand continues to play a pivotal role not only in the Association of Southeast Asian Nations (ASEAN) region but in the global economy as well.

The country is also a major

manufacturing hub.

"The Thai economy is continuously developing because the country has so many good resources for companies looking for a manufacturing and export base. Specifically, Japanese companies can utilize this base between the key markets of China and India," says Munenori Yamada, president and chief representative for ASEAN and South Asia for the Japan External Trade Organization (JETRO).

The country's service sector is also thriving.

"Thailand boasts a high level of infrastructure at every level and abundant well-trained human resources. Thailand has free access to the major markets," he adds.

The automotive sector, in particular, is booming. Japanese and international auto companies have chosen Thailand as the ideal Asian production and export base.

But in order to manufacture a car, a company needs to source about 20,000 automotive parts and components, ideally from other companies close to it.

With the major Japanese automakers such as Toyota, Honda, Nissan and Mitsubishi establishing manufacturing facilities in Thailand, small and medium-sized auto parts companies have followed suit and set up factories to cater to the needs of their clients and meet the growing demand.

Indeed, several local Thai companies, such as Lohakit Metal, have greatly benefited from this new wave of incoming companies, as many of their services and products are geared toward satisfying Japanese business clientele.

"Ninety percent of the auto sector is covered by Japanese companies. Most of these consider Thailand an ideal export base," says Kyoichi Tanada, president of Toyota Motor Thailand and the JCC in Bangkok. "The current production capacity in Thailand is 1.6 million units, but with Thailand's continued success it is expected to rise to at least 2 million units soon."

Currently, Thailand is ranked 12th worldwide in terms of total production volume of automobiles. The Thai government estimates that its rank will move to 10th in the world by the end of this year.

"We have identified some areas of cooperation that we can continue to build on in the future and these include agriculture, science and technology, environmental technology, IT, fisheries and tourism. We will continue to work together to diversify, deepen and strengthen our relations in these areas," Kojima adds.

"The prosperity of Japan and the Japanese are dependent on the Thai people and Thailand. So we must continue to build on our relationship and support each other," the ambassador says.

"Thailand is such an attractive country. We will continue to invest and work with the Thais. Our friendship and business relationship goes far back and will surely continue in the future," JETRO's Yamada says. ♦

## It's all about working and being successful together

**R**eaffirming a commitment to the local community, Mazak Thailand General Manager Masazumi Tamaoki has laid out the company's mission to support the country's manufacturing industry and grow with it.

"I want to help Thailand and local companies grow by sharing our products with them, as well as our experiences, technology, philosophy and commitment to quality," Tamaoki explains.

One of the world's most recognized and successful machine tools makers, Mazak designs and manufactures machine tools known as "mother machines," which are primarily used to make other machines that produce high-precision components.

"We supply the entire automotive chain, from the big automakers to the auto parts manufacturers. Because of their strong presence in Thailand, the country has become an ideal export base and really one of the most important markets for the automotive industry in the world," says Tamaoki.

"We have many Japanese and Thai customers who support our products and we really value our relationship with them," he adds.

With growing investments in Thailand, Tamaoki is confident that the number of clients will grow across the board.

"We have many potential customers, but they are not aware that we are here and are not familiar



**Mazak Thailand General Manager Masazumi Tamaoki**

with our products. This is why in 2008 we built a facility to showcase our products to our customers and show them how our machines work," he says.

"It's also important to hold training seminars to educate our clients. We are a total solutions provider and we want to work closely with our customers to make sure our products are customized to suit their clients' needs. It's all about working together and being successful together," he adds.

From Nov. 16 to 19, Mazak will showcase its latest machinery in

the 2011 Metalex fair in Bangkok, the region's largest international machine tools and metalworking technology trade exhibition and conference.

"Our machines will essentially reduce manpower, ensure higher accuracy and meet future requirements of the industry. Southeast Asia is a very important region and Thailand is a very important market. There are many opportunities for Mazak to grow together with Thailand, the manufacturing hub of Asia," says Tamaoki. ♦ [www.mazakthai.com](http://www.mazakthai.com)

## High precision, trusted quality, coveted service make Makino indispensable

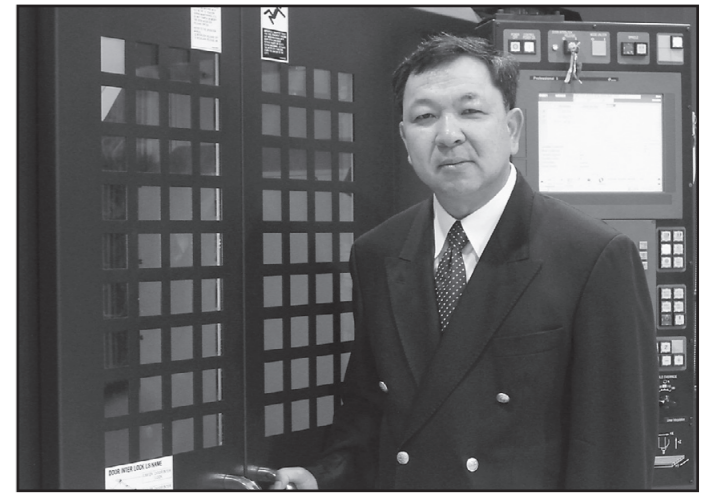
**A** world-renowned manufacturer of machine tools, Makino has built its reputation on precision, quality and service. With most Japanese and foreign automakers as major clients, it has planted a firm foothold in Thailand's dynamic automotive sector.

Last year was particularly lucrative, as Makino Thailand not only doubled sales from 2009 but also set an all-time high for sales since the company began operations seven years ago.

"We pride ourselves on providing efficient and swift service. This is one of our major strengths and the reason many of our customers trust us and keep coming back. We aim to reach our clients within four hours of their call. We solve most cases in 24 hours. It should take us no longer than seven days to fix the more complicated problems," explains Makino Thailand President Chuti Unakul.

In Thailand, Makino has set the standard when it comes to die mold manufacturing. Its machines are known for its heavy-duty cutting.

"It's been said that if you are



**Makino Thailand President Chuti Unakul**

a mold maker but don't have a Makino, then you are not a mold maker," says Chuti.

There are approximately 2,500 die mold shops in Thailand, most of which have less than 20 employees. With their machines, Makino helps these companies compete not only in the local market but on a global scale as well. Makino also provides them with training and technical knowhow.

"We've been building our com-

petency in parts manufacturing for the last three years. With our turnkey solutions, we work closely with our clients to ensure that they have all they need to run a smooth operation," Chuti says.

"There are several other companies in our industry, but clients know that if they need something done with efficiency, precision and quality, then Makino is the one they need," he concludes. ♦ [www.makino.co.th](http://www.makino.co.th)

*"We pride ourselves on providing efficient and swift service. This is one of our major strengths and the reason many of our customers trust us and keep coming back."*

*"We supply the entire automotive chain, from the big automakers to the auto parts manufacturers. Because of their strong presence in Thailand, the country has become an ideal export base and really one of the most important markets for the automotive industry in the world."*

## In the heart of the booming Asian manufacturing sector

**O**TC Daihen Asia, a manufacturer of advanced welding, cutting and robotics systems, grew 80 percent from 2009 to 2010, and expects further growth of around 40 percent this year, thanks to its growing clientele.

Founded in 1989, OTC Daihen Asia has been based in the Navanakorn industrial estate in the central Thai province of Pathumthani. From here, it has overseen the markets of Southeast Asia, Oceania, India and Pakistan. And in June, the company registered its India representative office as a separate company.

"We set up our four technical service centers, including two of our distributors' facilities, in Thailand to be close to our customers. We want to be able to provide immediate support. This is one of the main reasons we have such a good market share in the ASEAN (Association of Southeast Asian Nations) countries," says President Masanobu Uchida.

"It is an advantage for our distributors that we have a manufacturing base in the country. We know the market and we are quick to respond to our clients. Our focus has always been on our customers. Our strong customer support with our distributors and our quality, low cost and on-time delivery policy is aimed at satisfying the expectations of our customers so that they keep coming back to us," adds Executive Vice President Naotake Arioka.

The automotive and motorcycle sectors account for 80 percent of the company's revenue in Thailand. And with more Japanese investment pouring into the country, OTC Daihen Asia has embarked on further expansion.

"We are an ideal partner because we sell total package solutions. We supply consumables, welders, as well as robots and jigs and systems of all kinds needed in welding and the factory automation field. We can support all the components that our clients use and that is a great advantage," says Arioka.

Training and quality control are also priorities for OTC Daihen Asia.

"We don't sell our products directly to our customers but through our distributor network. As such, it is important that we provide our distributors with quality training and the distributors give customers sup-



**OTC Daihen Asia President Masanobu Uchida**

port locally by understanding customers very well," Arioka explains.

Meanwhile, Uchida wants more local managers to join the company. A Thai executive was appointed director three years ago, and four more Thai staff have been nominated to join the management board.

The company is also focusing on India and Indonesia as expected areas of high growth.

"Right now, we have only just set up a sales company in India, and we expect the new company in India to have big potential. Indonesia also has good progression and huge potential for growth," says Uchida. ♦ [www.otcdaihenasia.com](http://www.otcdaihenasia.com)

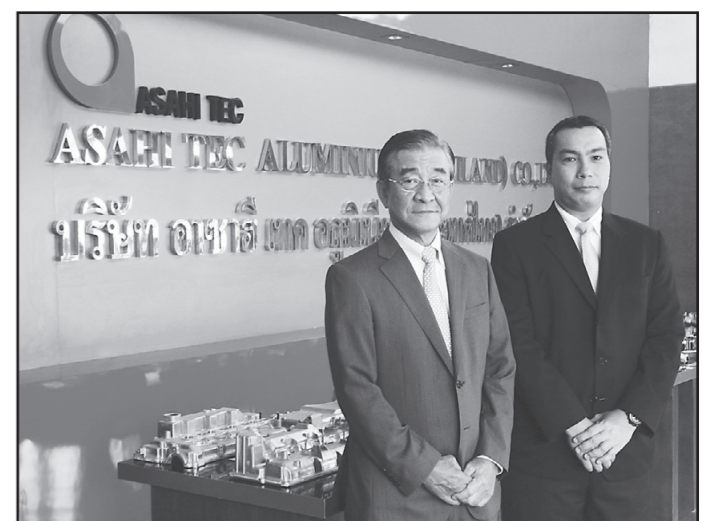
**A**sahi Tec Aluminum is capitalizing on Thailand's bustling automotive sector by shifting its main production base for light alloy from Japan to the Southeast Asian nation.

An industry leader with over 20 years of experience in Thailand, the company manufactures and sells motor vehicle parts, such as aluminum gravity die-casting products, aluminum high-pressure die-casting products and aluminum wheels. The firm, based in Bangkok, Samutprakarn, is a subsidiary of Japan's Asahi Tec Corp.

"Our aluminum business is doing very well, especially in Thailand. The country accounts for 60 percent of our company's light alloy business. We're getting a lot of new business, which is why we moved the majority of our production to Thailand and why I also decided to move here last year," says President Yoichiro Nagashima, who also oversees the group's alloy network in Japan, China and India.

"We are targeting not only the Thai domestic market and Japanese-oriented companies that have already invested here, but also foreign markets as well. In Thailand alone, many big players are coming and looking for suppliers. Our customer base is growing, and with it the demand for our products," says Vice President Chanet Rattakunjara.

The Thai subsidiary attributes



**Asahi Tec Aluminum (Thailand) President Yoichiro Nagashima (left) and Vice President Chanet Rattakunjara**

part of its success to its unique management style and corporate citizenship model.

"High-ranking management positions are held by both Japanese and Thai, namely in the style of co-manager. The Thai manager and Japanese manager have equal authority and make decisions together. We implemented this system to ensure that both our Japanese and Thai employees understand how each culture thinks and that they work together to resolve differences that may exist. There will be negotiations but essentially there should be one decision," explains Nagashima.

The company also complies

with all environmental regulations, investing substantially on wastewater treatment, noise reduction and dust collectors.

"These measures maintain our good reputation and relationship with our customers and local residents. We have many customers and residents who visit our plant and they are happy with what they see," Chanet says.

"We want to expand our capacity and identify ourselves more strongly in the local market. We have a 20-year history in Thailand with a strong focus on technology, timely delivery and quality assurance," stresses Nagashima. ♦ [www.asahitec.co.th](http://www.asahitec.co.th)

*"We are targeting not only the Thai domestic market and Japanese-oriented companies that have already invested here, but also foreign markets as well. In Thailand alone, many big players are coming and looking for suppliers."*

### CORRECTION

In our report on Bavaria, published Oct. 5, the phone number of the **Bavaria Representative Office in Tokyo** was listed incorrectly. The correct phone number is: +81-3-6809-1416. We apologize for the mistake.

**ASAHI TEC ALUMINIUM (THAILAND) CO., LTD.**  
Address : 361 Moo 1, Bangna-Trad Road Km.27, Bangbor, Amphur Bangkok, Samutprakarn 10560  
Email : sales@asahitec.co.th Tel. : (66)2-338-1389-98

**SANKO FASTEM (THAILAND) LTD.**  
Tel : +66(0) 2516 9823-5 METAL EXPANSION ANCHORS  
[WWW.SANKO.CO.TH](http://WWW.SANKO.CO.TH)

**ONP SIAM NIPPON STEEL PIPE CO., LTD.**  
บริษัท สยามนิปปอนสตีลไพพ์ จำกัด  
Contributing to Thailand and the whole world by creating value together with a vision for future

**LOHAKIT**  
In Quality, We Trust  
Mory Lohakit (Thailand) Company Limited  
Lohakit Metal Public Company Limited  
Auto Metal Company Limited  
[www.lohakit.co.th](http://www.lohakit.co.th)

# Serving clients locally, thinking globally

Located in Rayong's Siam Eastern Industrial Park about 150 km southeast of Bangkok, Siam Nippon Steel Pipe has an innovative, integrated manufacturing facility that incorporates materials and pipe manufacturing into the cold-drawing, heat-treating and fabrication of auto parts and components.

The process has proven so successful in lowering costs and raising quality that this Thai subsidiary of the Nippon Steel group has become a model for other group company factories in China, Indonesia and, by 2012, India.

Its location in the heartland of the industrialized area has given SNP a natural and easily accessible market. Many of the companies that make up the market are also subsidiaries of Japanese manufacturers themselves.

"Like other Nippon Steel Group companies, we work very closely with our customers and assist as much as possible in the development of different parts in order to meet specific demands regarding design, innovation and environmental concerns. For example, our pipes are perfectly adaptable to such new developments as hybrid and electric cars," says SNP President Teruhisa Takamoto.

Takamoto highlights the company's integrated manufacturing model as a key part of its success.

"With this system we are able to follow through with the entire process. We go the complete route from pipe manufacturing to finished product within one factory. Through this, we shorten production time, reduce costs and control the flexibility of production schedules for our



Siam Nippon Steel Pipe President Teruhisa Takamoto

customers," he explains.

SNP's two latest ventures have been to Indonesia and India, where it will bring the advantages of integrated manufacturing.

"Both our Indonesian subsidiary (INP) and our Indian factory (Nippon Steel Pipe India) are in very good locations. These expansions enable us to keep up with demand and manufacturing development in a timely and responsible manner," says General Manager Yuichi Ikeda.

# Strong leadership anchors the Asian construction industry

Sanko Fastem President Atcharaphan Pipattanakosit is proof that construction is no longer a man's world.

As the first female president of Sanko Techno Group's Thailand subsidiary, she has successfully spearheaded the company's operations over the past four years, strongly focusing on teamwork, quality, innovation and customer satisfaction.

"Teamwork is the foundation. We are doing very well because everyone works hard and works well together," says Atcharaphan.

Founded in 1988, Sanko Fastem has grown to become a leading manufacturer of premium expansion anchors, with ISO 9001 and ISO 14001 certifications under its belt.

The firm distributes its products to Japan's and Thailand's construction industries and is setting its sights on aggressively expanding throughout Asia.

With 80 percent of the company's products exported and 20 percent distributed in Thailand, Atcharaphan sees only further growth in the future.

"We are establishing a new company in Hanoi, Vietnam. After Vietnam, we are looking into Indonesia and Malaysia," says company Chairman Seiji Masuda.

Next on its agenda: Sanko Fastem will soon begin promoting its products directly to end-users in the construction sector.

"It's important for our customers to understand why our anchor bolts are superior to those of other companies that produce similar products. The main difference is the quality of our raw materials. Aside from that, our anchor bolts undergo a special heat treatment making them stronger. This is an original product of the Sanko Group," says Masuda.

Safety is always a main concern in the construction industry and this is one of Sanko Fastem's priorities.

"Fifty percent of our anchor bolt safety depends on the product, and the other 50 percent depends on installation work. So, it is important for us to educate the end-user. We provide the necessary training and knowledge needed to support our customers," says Masuda.

"We are continuously adapting and challenging ourselves to develop new and innovative products. The global market is changing so fast and it's important that we are not left behind. We want to grow with the market. We want to grow with Thailand and the global community and double our sales," says Atcharaphan.

www.sanko.co.th



Sanko Fastem Thailand President Atcharaphan Pipattanakosit

"We are continuously adapting and challenging ourselves to develop new and innovative products. The global market is changing so fast and it's important that we are not left behind. We want to grow with the market."

# Supporting the Thai economy together

Dusit Nontanakorn, chairman of the Thai Chamber of Commerce in Bangkok, gave World Eye Reports (WER) his insight on the country's strongest industries and investment incentives as he highlighted the collaborative network of Thai associations that have been key players in the growth of Thailand's economy.

WER: As chairman of the Thai Chamber of Commerce, which sectors would you say are the strongest in Thailand?

Dusit: For the past 20 years, autos, electronics and electronic appliances have been the prevailing industries here because of our strong relationship with Japan.

The chamber of commerce, the government, and other trade-related organizations have done our best to support these sectors and

their companies with the best conditions possible.

I believe that we are seeing the fruits of that today because Thailand is viewed as the region's manufacturing and automotive hub.

It is also one of the countries in the region with the largest Japanese direct investments and joint partnerships.

An important sector in the future will be agriculture. The food and beverage sector, in general, is strong, but we need to support it even more in the coming years so that it can reach its full potential.

How would you characterize the chamber's role in helping and improving the Thai economy?

We are able to contribute very well because we are a part of a larger network. The Thai Chamber of Commerce in Bangkok works closely with the 76 pro-

vincial chambers of commerce around Thailand, with the Board of Trade, the various foreign chambers of commerce and the Trade Association.

The Board of Trade works on the international level, while anything on the domestic level is handled by the Thai Chamber of Commerce. So these two organizations in particular work closely together in improving the economy. Combined, they have about 60,000 members.

To make this network even stronger, we also work with the Federation of Thai Industries and The Thai Bankers' Association. In this way, we can get directly involved, and the private and public sectors can communicate with each other and the government.

What makes Thailand an ideal place for investment in Asia?

Geographically, Thailand is in

the middle of the ASEAN (Association of Southeast Asian Nations) region.

Regardless of where you want to go, you will pass by Thailand, whether from the Philippines to Cambodia, or from Vietnam to Malaysia.

Being in the center of everything, Thailand is the perfect location with easy distribution to the entire region, and this is key for investors. In addition, the labor force here is very skilled, hard-working and committed.

I also see the Thai culture as very welcoming to foreigners, especially to the Japanese, given our long history and strong bilateral ties.

www.thaichamber.org

Editor's Note: Since the time of the interview, Mr. Dusit has passed away. His replacement has not been announced.

"The Thai Chamber of Commerce in Bangkok works closely with the 76 provincial chambers of commerce around Thailand, with the Board of Trade, the various foreign chambers of commerce and the Trade Association. The Board of Trade works on the international level, while anything on the domestic level is handled by the Thai Chamber of Commerce. So these two organizations in particular work closely together in improving the economy. Combined, they have about 60,000 members."

# A Japanese partnership in the best Thai tradition

Amid a renewed dynamism in Thai manufacturing, Lohakit Metal PLC, a listed company on The Stock Exchange of Thailand, has expanded its product lines and operations of stainless steel pipes, especially for exhaust system makers in the automotive sector.

"We are looking to increase our reach in the automotive sector, in both steel and non-steel related areas. One idea is to work with Japanese companies who want to expand their manufacturing base into the Thai automotive sector and may need an experienced Thai company like us, with experience in servicing automotive-related customers and fulfilling their requirements in all issues related," explains Managing Director Prasarn Akarapongpisak.

"We are looking for such opportunities not only in stainless steel but also other materials, such as plastic, rubber, copper, aluminum and many more," adds Prasarn.

The automotive sector accounts for 36 percent of Lohakit's turnover. With the new strategy, Prasarn hopes to increase this number to more than 50 percent, further strengthening its position in the industry.

With Japanese companies making up more than 60 percent of its customers, Lohakit Metal recently partnered with Mory Industries Inc.,

a specialist in stainless steel products based in Osaka, a move that will help in delivering consistent and high-quality products for Japanese and non-Japanese customers in the Thai automotive sector.

Last year, Mory made its first overseas investment by acquiring a 40 percent stake in Lohakit Metal's subsidiary, Auto Metal Co., Ltd.

"We've been working with Mory for the past few years, which has greatly earned the trust and confidence of well-known automotive parts makers in Thailand," Prasarn says.

Lohakit Metal also launched its iSerlution supply chain management: a one-stop shop that provides various services that usually require clients to contract different companies.

"iSerlution is our own creation that separates us from our competitors. We are more than just suppliers," says Prasarn.

"We promise to work together from planning, sourcing and manufacturing, to delivery and quality assurance. From start to end, we will be there for customers. They know and trust the quality of work that we can provide them. We want to show that we can fully serve our customers' needs in the best Thai tradition of services with world-class quality guaranteed," he adds.

www.lohakit.co.th



Lohakit Metal Managing Director Prasarn Akarapongpisak

"From start to end, we will be there for customers. They know and trust the quality of work that we can provide them. We want to show that we can fully serve our customers' needs in the best Thai tradition of services with world-class quality guaranteed."

## eBOX

**Siam Cement Group (SCG)** is the largest industrial conglomerate in Thailand. The company has expanded into various businesses with five core business units: chemicals, paper, cement, building materials and distribution. [www.scg.co.th](http://www.scg.co.th)

**Makino Thailand** is a global manufacturer of advanced CNC machining centers and EDM technology, providing turnkey and stand-alone machine solutions to the automotive, aerospace, die/mold and general machining markets. [www.makino.co.th](http://www.makino.co.th)

**Funai (Thailand)** provides consumers with affordable, high-quality digital home appliances that reflect our uniquely innovative perspective. [www.funaiworld.com](http://www.funaiworld.com)

The **Japan External Trade Organization (JETRO)** in Thailand plays a prominent role in sustaining and strengthening bilateral trade and investment between Thailand and Japan. JETRO Thailand offers information and consultation services to Japanese small and medium-size enterprises (SMEs) that are planning to set up their operations in the country. [www.jetro.go.jp/thailand](http://www.jetro.go.jp/thailand)

**Thai National Shippers' Council (TNSC)** promotes and protects the interest of exporters in Thailand, and advocates increased efficiency and global competitiveness of the export sector. It also advises small and medium-size Thai exporters on matters pertaining to export processes, freight rates, etc. [www.tnsc.com](http://www.tnsc.com)

The **Thai-Japanese Association** was formed in 1935 to promote relations between the two nations. Currently, it has 200 members made up of local and Japanese companies and individuals. It organizes economic and social activities aimed at fostering a closer friendship between the two countries. [www.thai-japanasso.or.th](http://www.thai-japanasso.or.th)

## Country File: Thailand

AREA: 513,120 sq km  
POPULATION: 66.72 million

CURRENCY: Thai baht (THB)  
AVG. EXCHANGE RATE: \$1=29 THB

GDP REAL GROWTH: 7.8%  
GDP PER CAPITA (PPP): \$8,700

UNEMPLOYMENT RATE: 1.2%  
INFLATION (CPI): 3.3%

MAJOR 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)

MAJOR EXPORTS: Textiles and footwear, Fishery products, Rice, Rubber, Jewelry, Automobiles, Computers and electrical appliances

MAJOR IMPORTS: Capital goods, Intermediate goods and raw materials, Consumer goods, Fuels

EXPORTS: \$191.3 billion  
IMPORTS: \$156.9 billion

MAIN EXPORT MARKETS (% SHARE): U.S. (10.9%), China (10.6%), Japan (10.3%), Hong Kong (6.2%), Australia (5.6%), Malaysia (5%)

MAIN IMPORT MARKETS (% SHARE): Japan (18.7%), China (12.7%), Malaysia (6.4%), U.S. (6.3%), UAE (5%), Singapore (4.3%), South Korea (4.1%)



## SCG aims for leading position in ASEAN

CONTINUED FROM PAGE B1

dedication to excellence, belief in the value of the individual and concern for social responsibility," explains Kan.

"Human capital is our most vital asset and it's important to get our employees started in the right direction from Day 1. As president and CEO, I make it a point to spend my time with our people, sharing my experiences in life, my philosophy about work and my vision for the company," he adds.

That focus has yielded a more customer-centric mind-set and has expanded SCG's global perspective.

"Every year, we spend more than \$16 million on campaigns about human development, environmental conservation, corporate governance and emergency relief. In the communities where we operate, we are perceived as a good role model and a sustainable leader in ASEAN," Kan says.

For its corporate social responsibility (CSR) efforts, SCG has garnered several awards, including the H.M. the King's Trophy for Best Practice of the Sufficiency Economy in Large Enterprises category (2007), Dow Jones Sustainability Indexes' SAM Gold Class-Outstanding Sustainability Results in the Building Materials and Fixtures sector (2008 to 2010) and the Stock Exchange of Thailand's SET Award of Honor in Best Corporate Social Responsibility (2008 to 2010).

"We are also a very green company. Our green products, which are guaranteed by the SCG eco-value label, account for 18 percent of our total sales and we are very proud of this. Our goal is to increase this to one-third of our total sales," he adds.

Kan has also expressed his enthusiasm in entering into more joint ventures and partnerships.

"We are open to working with more Japanese companies. We can provide good people. We have the business connections and our brand and reputation is excellent. The Kubota Group, for example, has been our longtime joint venture partner and the relationship has been going very well, enhanced through mutual trust," he says.

www.scg.co.th



Dusit Nontanakorn, chairman of the Thai Chamber of Commerce in Bangkok

# Toyota takes pole position in booming auto sector

With its 40 percent market share, Toyota Motor Thailand (TMT) has been a constant driving force behind the country's dynamic automotive sector since its founding almost half a century ago.

And since Kyoichi Tanada took over as president of Thailand's most recognized automotive brand two years ago, the Japanese automaker has further sped up its growth in the country.

"When I became president in 2009, I laid out three main missions. The first was to achieve a sales total of 300,000 units, and produce a total of 600,000 units. The second was to contribute to Thai society, and the third was to let Thai people handle total management of this company," says Tanada.

Facing a tough objective, Tanada accomplished his first goal in less than two years. In 2010, TMT sold a total of 326,000 units and produced 630,000 units.

A fluent Thai speaker, Tanada attributes Toyota's success to its "Sawasdee, Sabaidee, Sanoodee" motto.

"Our employees must always keep these three words in mind. *Sawasdee* is a greeting and emphasizes teamwork. Everyone in the company must make it a habit to greet all their colleagues to instill a positive working atmosphere," Tanada explains.

"*Sabaidee* means 'How are you?' and stresses one's physical and mental health. In order to be productive, you must be healthy. *Sanoodee* is a desire to work. Almost 50 percent of life is spent with the company and it is important for people to enjoy their work," he adds.

"I tell my management to focus on keeping their subordinates happy and motivated to work. I myself take the responsibility to inspire my management to work. Since I came

here, the working culture has changed and I think this has helped us to achieve our mission earlier than expected," he adds.

Toyota's history in Thailand goes back to 1957, when the company began mainly as an importer of passenger cars and commercial vehicles. Just five years later, the Japanese giant's first overseas subsidiary, was given Board of Investments promotion privilege.

"Next year will mark the 50th anniversary of Toyota Motor Thailand and our 55th year with our dealers. Among Southeast Asian countries, Thailand was the one of the first countries that Toyota selected for distributorship. It was because of the similar culture and way of thinking between Thai and Japanese," Tanada points out.

Since then, TMT has climbed to the top of the auto market, growing with the automotive industry of Thailand.

From an initial 1,500 employees, the company now employs more than 16,000 staff and has three major manufacturing plants in the country.

"Before I became president two years ago, I was previously assigned to Thailand as a sales coordinator from 1985 to 1991. At that time, the market size in Thailand was only between 100,000 and 300,000 units," Tanada says.

"Our sales in Thailand were between 22,000 and 77,000 units a year. Today, we can sell around 30,000 units in one month alone. When I arrived in 2009, our sales were at 230,000 units a year with market size a total of 540,000 units," he adds.

With the global economy shifting drastically, Thailand has become one of the most important automotive markets in terms of profit.

In line with his mission to contribute to Thai society and to localize the company, Tanada says: "It's not all about profit, pro-

duction, finance and sales. It's important for Toyota to give something back to the community, which is why we participate in scholarship programs, environmental activities and road safety campaigns. Around 1 percent of our profits is given back to Thai society through our social programs.

"Being able to speak in Thai has helped to open doors. I am able to get everyone's opinion and really understand the situation. I can also talk with labor union people directly," says Tanada, who is also president of the Japanese Chamber of Commerce, Bangkok.

With 90 percent of Thailand's car production covered by Japanese companies, most of them consider the country as an export base.

Total production capacity in Thailand has reached 1.6 million units a year, and the government wants to raise that to 2.5 million units in a few years.

"Thailand wants to be the 10th-biggest automotive country in the world, in terms of total production volume. We are currently ranked 12th. The government is actively promoting the country's automotive industry by providing special privileges and tax incentives for more foreigners to invest and expand production capacity in Thailand," says Tanada.

"With this in mind, we are cooperating and competing with other automakers for the expansion of Thailand's automotive sector," he adds.

Meanwhile, the Toyota veteran continues to raise his targets.

"We must not stop our growth," says Tanada. "For this, I would like to thank everyone for their kind cooperation and support, not only to our employees, but to our suppliers and dealers and to the entire Thai community." ♦

www.toyota.co.th



Toyota Motor Thailand President Kyoichi Tanada

*'Thailand wants to be the 10th-biggest automotive country in the world, in terms of total production volume. We are currently ranked 12th. The government is actively promoting the country's automotive industry by providing special privileges and tax incentives for more foreigners to invest and expand production capacity in Thailand.'*



**Environmental Preservation**

The designation of **Toyota Ban Pho Plant** in Chachoengsao is aimed at being one of five sustainable plants of global Toyota. Key projects include an initiative of Thailand's first eco-Forest and a natural learning center with a simulated ecological system, **Biotope**.



**Road Safety**

The **White Road Project** has been carried out to promote road safety awareness and generous behavior among users, particularly youths.

## Thai Better Future, Our Pride

Toyota Motor Thailand Co., Ltd. aspires not only to retain its leading trusted brand in Thailand's automotive industry, but also to fulfill its vision of contributing to safe and pleasant lives. Throughout nearly 50 years, TMT has strived to foster sustainable development of Thai society through numerous social contribution activities.



**Education and Technology Transfer**

Over 100 million baht **Toyota-sponsored scholarship programs** along with **automotive technology transfer** have been substantially granted to vocational school and university students nationwide with the aim of educational promotion.



**Community Developments**

The **Ratchamongkol Rice Mill** with integrated farming practice was established as a role model for implementing a sustainable community. Furthermore, **Toyota Thailand Foundation** was founded to promote improvements in quality of life.

Thank you for letting us walk with you through the long path, and share grateful experiences to fill the dawn towards half a century together.



# A pioneer in corporate responsibility shows the way in Rayong

UBE set up its operations in Thailand in 1997 and has since expanded into various businesses: Ube Chemicals (Asia) (production of caprolactam, nylon plastic pellets and ammonium sulfate fertilizer), Thai Synthetic Rubber (synthetic butadiene rubber), UBE Fine Chemicals (Asia) (fine chemicals), and Ube Technical Center (Asia) (UTCA) (research and development).

"We want to support and grow together with key industries in Thailand and the neighboring region. Our expansion continues and the capability of the staff gets higher every year because of our focus on innovative technology. That, combined with the support we get from Japan, is driving the company and its growth," explains UBE Group Thailand President and CEO Charunya Phichitkul.

"The next step for us is to increase research and development. We established the UBE Global Innovation Center last year at UTCA to ex-

pand our technical services and R&D capability. The fact that we have this high-tech facility further enables us to serve our customers better than before. Aside from Japanese technological support, we can now serve customers directly in Thailand, which is very time- and cost-effective," adds Charunya, a company pioneer since its establishment 14 years ago.

Currently, UTCA collaborates with various Thai universities and national research institutes in several fields.

"We have two main goals: to serve the UBE business and to support the advancement of the research and development landscape in Thailand. We interact as much as possible with universities so that we can learn from each other. This is just one of our contributions to Thailand," says Charunya.

"My goal is that UTCA becomes a center for innovative ideas. This is

what we call sustainable corporate social responsibility," adds Charunya. CSR has always been an important part of the UBE Group's ethos. It was the first petrochemical company in Thailand to implement the Clean Development Mechanism program, which has received accreditation from the United Nations.

"We are at the forefront of CSR activities in the Rayong area and one of the pioneers. We have done many things for the environment. For example, the UBE Group was also the first to use reverse osmosis to save water," says Charunya.

"As a result, we now use only 70 percent of the water as compared to before, while maintaining the same production capacity. I am happy to see that many companies have since followed in our footsteps," Charunya adds. ♦

www.ube.co.th



UBE Group Thailand President and CEO Charunya Phichitkul

*'We have two main goals: to serve the UBE business and to support the advancement of the research and development landscape in Thailand. We interact as much as possible with universities so that we can learn from each other. This is just one of our contributions to Thailand.'*

**Success Driver through Innovative Technology and Operational Excellence**

## Yokohama looks to another century of quality

When Japan's Yokohama Group celebrates 100 years of operations in 2017, the tire maker will be understandably proud of having established a solid reputation for developing and manufacturing high-quality and affordable tires around the world.

"At Yokohama, we strive to provide our customers with the best-quality tires at competitive prices, on time," says Yokohama Tire Manufacturing Thailand President Yasuhiro Mizumoto.

Looking ahead to its centenary in typical Yokohama fashion, the group unveiled in 2006 a medium-term management plan dubbed Grand Design 100, or GD100, which consists of four three-year phases that set various benchmarks for the group.

"With the implementation of GD100, our goals as a group are to achieve net sales of ¥1 trillion and operating income of ¥100 billion by 2017," says Mizumoto.



Yokohama Tire Manufacturing Thailand President Yasuhiro Mizumoto

Since then, it has increased its capacity, as well as ventured into the passenger car and light truck sector.

It is currently one of the multinational Japanese group's largest facilities in the world.

In line with its growth plan, the company has also stepped up its environmental protection efforts.

An initiative of the group, the Forever Forest Project, aims to plant 500,000 trees worldwide to celebrate its 100th anniversary.

"As part of the initiative, we have worked with local residents to plant over 44,000 seedlings not only in our factory but around the area as well. Caring for the environment is a very important part of our culture here at Yokohama. We are very proud of this project and will continue to do our part in supporting more green initiatives," says Mizumoto. ♦

www.yokohamathailand.com



A part of its CSR efforts, Yokohama Tire Manufacturing Thailand launched the Forest Forever Project.

"We are currently midway through the plan. By the end of the plan's Phase 2, Yokohama Thailand will continue to expand our factories that produce passenger car and light truck tires," he adds.

Yokohama Tire Manufacturing Thailand started in 2004 as a manufacturing plant for truck and bus tires.

**PAVING THE WAY TO SUSTAINABLE GROWTH**

With 50 years' sustained growth, Thaioil has achieved proven excellence in its business and its products, both of which have given us a leading edge in Thailand and throughout Asia Pacific. Established in 1961, Thaioil began with a petroleum refinery that had a capacity of just 35,000 barrels per day. Now, that capacity has grown to 275,000 barrels per day, making us Thailand's largest refinery. Today, we base our business direction on market demand, and have given added value to our existing value chain by converting commodity products, such as petroleum, into specialty products through three key drives - Flexibility, Efficiency and Reliability. These, together with a combination of innovative energy technologies and creativity in global environmental concerns, will lead us to ever greater sustained growth in the future.



Refining Our Future

www.thaioilgroup.com



# Ongoing transition propels Thaioil to the top of the regional league

"As we celebrate the 50th anniversary of Thaioil Group, we are preparing for a long journey. We are transforming ourselves to an energy-converting company rather than simply a refinery. Refining is the beginning of everything, but we do not want to restrict ourselves to that as conversion allows us to provide more value-added products," says CEO Surong Bulakul.

Thaioil's growth has been parallel to that of Thailand. Today, it is a leader in the production of high-quality petroleum products for the country. Its refinery complex is among the top five in Asia, and its KPI (key performance indicator) benchmark is an impressive 95 percent.

The company's focus on energy conversion ushers in new ventures into downstream petrochemical industries, including aromatics, lubricant base oil and power generation, which cuts the risk of overdependence on oil refining.

According to Surong, there are three pillars to Thaioil's success, the first of which is flexibility in making decisions, especially when it involves formulating business strategies to optimize operations.

The second pillar is reliability. Thaioil operates at almost 100 percent capacity throughout the year and consistently fulfills many of its maintenance and safety commitments. It also generates its own power, which makes the company highly self-sufficient.

The most important pillar is efficiency, which ensures continued success for future generations. Its efficient asset utilization is evident in its lean operations and competitive manufacturing costs.

For one of the largest petroleum companies in Asia, the group has a relatively small labor force of 1,200 employees, 850 of which run the refinery. The manufacturing cost for the Thaioil Group is a relatively low \$1 per barrel for oil.

"By being flexible, reliable and efficient, we can really run a fully optimized factory. We have a lot of experience in refining and manufacturing. It is important to transfer this knowledge and offer consultancy services to all of those within our group," says Surong.

For the past 50 years, Thaioil has built value for the domestic energy sector and the economy as a whole. It now strives to lead the country toward a sustainable future, mustering the experiences, ideas and skills of its personnel to transform it into a leading regional company. But it cannot do this alone.

Fortunately, the company has nurtured its many partnerships and is largely supported by local communities where it operates. It has had a strong alliance with the Shell group from the beginning, and continues to work closely with related industries from Japan.

Among its the numerous local initiatives is the establishment of the Thaioil Group Health and Learning Center in the Siracha District, Chonburi Province. The center runs preventive medical programs and conducts practical knowledge-based activities, such as English courses in the summer.

In 2009, Thaioil collaborated with the U.N. Development Program, the Energy for Environment Foundation and the Department of Alternative Energy Development and Efficiency to develop a hydroelectric power plant for the remote community of Huai Pu Ling in the northwest-



Thaioil Group CEO Surong Bulakul

ern edge of Thailand.

"It's not simply the electricity that we are giving but the implementation of knowledge from the application of the resource that we share. My dream is that one of the boys and girls of this community will be a Thaioil employee in the next 20 years," says Surong.

"We are managing our pollution to be within current limits, and we always give back to the community. We make sure that this is not a one-time handout, but instead a long-term community service," he adds. ♦

www.thaioilgroup.com

*'By being flexible, reliable and efficient, we can really run a fully optimized factory. We have a lot of experience in refining and manufacturing. It is important to transfer this knowledge and offer consultancy services to all of those within our group.'*