

Summary

Survey on Business Sentiment of Japanese Corporations in Thailand

For the 2nd Half of 2024

<Introduction of the Survey >

JCCB, Japanese Chamber of Commerce Bangkok, has been conducting survey on business sentiment of Japanese corporations in Thailand twice a year for 54 years, since 1971. This survey is the only comprehensive data reflecting the business situation of Japanese corporations in Thailand.

- The survey period was from November 26 to December 18, 2024.
- The questionnaires were handed out to 1,664 JCCB members, of which 559 companies responded (33.6%).
- Press release date: January 28, 2025 (Tue.)

1. Business Sentiment Illustrated by DI (Diffusion Index)

- The business sentiment (DI) is -21 in the first half of 2024, -11 in the second half of 2024 (forecast), and 6 in the first half of 2025 (forecast). The DI forecast for the second half of 2024 (-11) is influenced by factors, such as the continued sluggish domestic consumption of durable goods, despite some positive factors from recovery in exports.
- The DI forecast for the first half of 2025 reflects a more optimistic sentiment (-11→6) compared to the second half of 2024, influenced by factors such as expectation for further recovery in exports and recovery in domestic consumption of durable goods.

Industry	Survey this time			No. of firms	
	Result	Forecast			
	24H1	24H2	25H1		
Manufacturing	Food	59	50	50	12
	Textile	-28	-43	0	14
	Chemical	-2	-34	-5	41
	Steel/Non-ferrous metal	-50	-28	8	36
	General machinery	-26	-9	0	23
	Electric/Electronics machinery	-20	-18	13	44
	Transportation machinery	-62	-41	-12	71
	Others	-19	-6	-2	47
Manufacturing sector total	-29	-23	1	288	
Non-manufacturing	Trading	-20	-9	10	102
	Retailer	0	20	40	5
	Finance/Insurance/Securities	-23	-16	3	31
	Construction/Civil engineering	-8	0	14	36
	Transportation/Communication	-17	-8	-14	35
	Others	5	34	35	62
	Non-Manufacturing sector total	-12	2	13	271
Total	-21	-11	6	559	

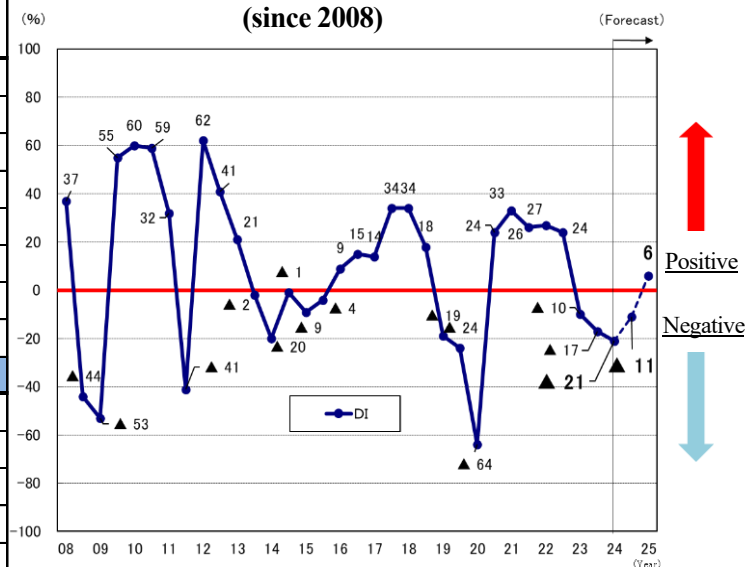
H1: The first half of the year, H2: The second half of the year

For the first half of 2025

“Improving” (28%), “No change” (50%), “Deteriorating” (22%)
28% - 22% = DI 6

Historical Change of DI

(since 2008)



Business Sentiment

	2024		2025
	H1	H2	H1
Improving (%)	25	29	28
No change (%)	29	32	50
Deteriorating (%)	46	40	22
(Ref.) DI (pt)	-21	-11	6

<What is DI? >

◆ DI (Diffusion Index):

A comparison of business performance in a six-month term with its previous term

DI = the percentage of those answered "improving" — (minus) the percentage of those answered "deteriorating"

2. Capital Investment

- The percentage of the firms anticipating “Increase” in their capital investments in 2025 is 20%, whereas 48% of them anticipated “No change” and 16% anticipated “Decrease”.

Industry	No. of firms and (%)								
	Increase		No change		Decrease		Undecided		Total
Food	4	(36)	5	(45)	1	(9)	1	(9)	11
Textile	7	(50)	4	(29)	2	(14)	1	(7)	14
Chemical	9	(22)	17	(41)	11	(27)	4	(10)	41
Steel/Non-ferrous metal	9	(25)	16	(44)	7	(19)	4	(11)	36
General machinery	3	(14)	11	(50)	3	(14)	5	(23)	22
Electric/Electronics machinery	17	(40)	14	(33)	10	(24)	1	(2)	42
Transportation machinery	16	(23)	32	(46)	19	(27)	3	(4)	70
Others	10	(23)	22	(50)	8	(18)	4	(9)	44
Manufacturing sector total	75	(27)	121	(43)	61	(22)	23	(8)	280
Trading	10	(10)	50	(52)	9	(9)	28	(29)	97
Retail	2	(40)	2	(40)	0	(0)	1	(20)	5
Finance/Insurance/Securities	2	(8)	21	(81)	1	(4)	2	(8)	26
Construction/Civil engineering	4	(11)	21	(58)	2	(6)	9	(25)	36
Transportation/Communication	5	(15)	7	(21)	7	(21)	15	(44)	34
Others	10	(17)	38	(64)	5	(8)	6	(10)	59
Non-manufacturing sector total	33	(13)	139	(54)	24	(9)	61	(24)	257
Total	108	(20)	260	(48)	85	(16)	84	(16)	537

Results from the previous survey (first half of 2024)

Manufacturing sector total	83	(29)	111	(38)	73	(25)	22	(8)	289
Non-manufacturing sector total	40	(16)	130	(53)	23	(9)	51	(21)	244
Total	123	(23)	241	(45)	96	(18)	73	(14)	533

(Note) Year-to-year comparison

(Reference) Details of the capital investment in 2025 (multiple answers)

Industry		Unit: No. of firms and (%)															
		New	Expansion	Replacement	Streamlining	DX-related	Environment-related (including decarbonization)		Others	Total	No. of firms						
Manufacturing	Food	3	(30)	4	(40)	7	(70)	2	(20)	2	(20)	2	(20)	1	(10)	21	10
	Textile	2	(14)	3	(21)	11	(79)	3	(21)	0	(0)	1	(7)	1	(7)	21	14
	Chemical	7	(18)	8	(21)	29	(74)	9	(23)	4	(10)	7	(18)	3	(8)	67	39
	Steel/Non-ferrous metal	7	(21)	4	(12)	19	(58)	8	(24)	2	(6)	3	(9)	1	(3)	44	33
	General machinery	6	(29)	1	(5)	12	(57)	5	(24)	2	(10)	2	(10)	3	(14)	31	21
	Electrical/Electronic machinery	13	(30)	10	(23)	26	(60)	19	(44)	10	(23)	8	(19)	1	(2)	87	43
	Transportation machinery	18	(26)	15	(22)	47	(69)	28	(41)	9	(13)	14	(21)	4	(6)	135	68
	Others	10	(25)	5	(13)	24	(60)	19	(48)	10	(25)	6	(15)	3	(8)	77	40
Manufacturing sector total		66	(25)	50	(19)	175	(65)	93	(35)	39	(15)	43	(16)	17	(6)	483	268
Non-manufacturing	Trading	6	(8)	7	(9)	37	(47)	13	(17)	18	(23)	1	(1)	12	(15)	94	78
	Retail	2	(50)	1	(25)	3	(75)	2	(50)	1	(25)	0	(0)	0	(0)	9	4
	Finance/Insurance/Securities	3	(14)	2	(10)	8	(38)	7	(33)	7	(33)	1	(5)	4	(19)	32	21
	Construction/Civil engineering	5	(18)	3	(11)	14	(50)	6	(21)	7	(25)	2	(7)	4	(14)	41	28
	Transportation/Communication	3	(12)	2	(8)	11	(44)	4	(16)	4	(16)	2	(8)	4	(16)	30	25
	Others	10	(19)	8	(15)	20	(38)	11	(21)	12	(23)	2	(4)	5	(10)	68	52
	Non-manufacturing sector total		29	(14)	23	(11)	93	(45)	43	(21)	49	(24)	8	(4)	29	(14)	274
Total		95	(20)	73	(15)	268	(56)	136	(29)	88	(18)	51	(11)	46	(10)	757	476

3. Export and Potential Export Markets in the Future

3.1 Export Trend in the first half of 2025 (January-June)

- The percentage of the firms anticipating “Increase” in their exports in the first half of 2025 totaled 24%, while 62% anticipated “No change” and 13% anticipated “Decrease”.

Unit: No. of firms and (%)

Industry	Increase				No change	Decrease				No. of firms
	>20%	10-20%	<10%	>20%		10-20%	<10%	>20%		
Food	6 (60)	0 (0)	2 (20)	4 (40)	3 (30)	1 (10)	1 (10)	0 (0)	0 (0)	10
Textile	6 (43)	1 (7)	3 (21)	2 (14)	6 (43)	2 (14)	0 (0)	1 (7)	1 (7)	14
Chemical	13 (33)	3 (8)	3 (8)	7 (18)	21 (54)	5 (13)	3 (8)	1 (3)	1 (3)	39
Steel/Non-ferrous metal	4 (14)	1 (4)	1 (4)	2 (7)	18 (64)	6 (21)	2 (7)	4 (14)	0 (0)	28
General machinery	2 (11)	1 (5)	0 (0)	1 (5)	16 (84)	1 (5)	0 (0)	0 (0)	1 (5)	19
Electrical/Electronic machinery	8 (21)	1 (3)	2 (5)	5 (13)	22 (56)	9 (23)	4 (10)	4 (10)	1 (3)	39
Transportation machinery	15 (23)	1 (2)	5 (8)	9 (14)	41 (64)	8 (13)	5 (8)	0 (0)	3 (5)	64
Others	9 (22)	1 (2)	0 (0)	8 (20)	24 (59)	8 (20)	4 (10)	3 (7)	1 (2)	41
Manufacturing sector total	63 (25)	9 (4)	16 (6)	38 (15)	151 (59)	40 (16)	19 (7)	13 (5)	8 (3)	254
Trading	25 (27)	5 (5)	6 (7)	14 (15)	59 (64)	8 (9)	5 (5)	1 (1)	2 (2)	92
Retail	0 (0)	0 (0)	0 (0)	0 (0)	1 (100)	0 (0)	0 (0)	0 (0)	0 (0)	1
Construction/Civil engineering	2 (18)	1 (9)	1 (9)	0 (0)	8 (73)	1 (9)	0 (0)	0 (0)	1 (9)	11
Others	3 (14)	0 (0)	2 (9)	1 (5)	18 (82)	1 (5)	1 (5)	0 (0)	0 (0)	22
Non-manufacturing sector total	30 (24)	6 (5)	9 (7)	15 (12)	86 (68)	10 (8)	6 (5)	1 (1)	3 (2)	126
Total	93 (24)	15 (4)	25 (7)	53 (14)	237 (62)	50 (13)	25 (7)	14 (4)	11 (3)	380
Results from the Previous Survey (first half of 2024)	120 (33)	17 (5)	33 (9)	70 (19)	177 (48)	72 (20)	39 (11)	26 (7)	7 (2)	369

(Note) Year-to-year comparison

3.2 Potential Export Markets in the Future (multiple answers)

- “India” (49%) ranks first on the list of future potential export markets from Thailand, followed by “Vietnam” (44%), “Indonesia” (28%), and “USA” (20%), respectively.

No. of firms and (%)

Country/Region	India	Vietnam	Indonesia	USA	Malaysia	Japan	Philippines	Cambodia	Europe	Middle East	Africa	Laos	China	Oceania	Latin America	Total	No. of firms
Manufacturing	118 (48)	104 (42)	71 (29)	58 (23)	42 (17)	38 (15)	31 (13)	22 (9)	31 (13)	19 (8)	18 (7)	9 (4)	16 (6)	16 (6)	14 (6)	632	248
Non-manufacturing	64 (52)	58 (47)	35 (28)	15 (12)	22 (18)	19 (15)	22 (18)	18 (15)	6 (5)	4 (3)	4 (3)	12 (10)	4 (3)	3 (2)	3 (2)	323	124
Total	182 (49)	162 (44)	106 (28)	73 (20)	64 (17)	57 (15)	53 (14)	40 (11)	37 (10)	23 (6)	22 (6)	21 (6)	20 (5)	19 (5)	17 (5)	955	372
Current survey	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	/	
Last survey	2	1	3	5	6	4	7	9	8	10	12	12	11	16	18		
The survey before last	2	1	3	5	6	4	8	7	9	11	11	15	10	19	16		

(Note) Ranks up to top 15

4. Exchange Rates Used in Business Planning

4.1 Thai Baht/US Dollar

- Regarding the exchange rates used in business planning (Thai Baht/US Dollar), the predominant rates used are in a range between “No less than 35.0 but less than 35.5” (21.3%), followed by “No less than 34.0 but less than 34.5” (17.1%), with the median rate at 34.5 baht/US dollar. In the previous survey, the predominant answers fell in a range between “No less than 35.5 but less than 36.0” (26.7%), followed by “No less than 35.0 but less than 35.5” (20.5%), which implies that some companies have adjusted their exchange rate settings.

Industry Baht/US dollar		Thai Baht/US Dollar, No. of firm, and (%)													Total	Total from the Previous Survey (First Half of 2024)		
		Manufacturing								Non-manufacturing								
		Food	Textile	Chemical	Steel/Non-ferrous metal	General machinery	Electrical/Electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retail	Others	Non-manufacturing sector total				
No less than 29.0 but less than 29.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(0.0)	0	(0.0)
No less than 29.5 but less than 30.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(0.0)	0	(0.0)
No less than 30.0 but less than 30.5	0	0	0	0	0	1	0	0	1	3	0	0	3	4	(1.3)	2	(0.6)	
No less than 30.5 but less than 31.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(0.0)	0	(0.0)	
No less than 31.0 but less than 31.5	0	0	0	0	0	0	0	0	0	1	0	0	1	1	(0.3)	0	(0.0)	
No less than 31.5 but less than 32.0	0	0	0	0	1	0	0	0	1	0	0	0	0	1	(0.3)	1	(0.3)	
No less than 32.0 but less than 32.5	0	0	2	0	2	1	4	0	9	5	0	2	7	16	(5.2)	9	(2.5)	
No less than 32.5 but less than 33.0	0	0	1	0	1	0	1	1	4	1	0	1	2	6	(1.9)	7	(2.0)	
No less than 33.0 but less than 33.5	0	1	1	5	2	4	5	7	25	7	0	8	15	40	(12.9)	11	(3.1)	
No less than 33.5 but less than 34.0	1	2	7	2	1	2	1	2	18	3	0	2	5	23	(7.4)	6	(1.7)	
No less than 34.0 but less than 34.5	5	5	3	2	0	7	10	3	35	15	0	3	18	53	(17.1)	29	(8.1)	
No less than 34.5 but less than 35.0	0	2	4	1	1	7	7	3	25	10	0	0	10	35	(11.3)	20	(5.6)	
No less than 35.0 but less than 35.5	1	4	7	5	4	5	11	4	41	18	0	7	25	66	(21.3)	73	(20.5)	
No less than 35.5 but less than 36.0	0	0	4	4	1	5	6	6	26	10	0	2	12	38	(12.3)	95	(26.7)	
No less than 36.0 but less than 36.5	0	0	2	3	0	0	1	3	9	5	0	1	6	15	(4.8)	56	(15.7)	
No less than 36.5 but less than 37.0	1	0	1	3	1	0	1	2	9	1	0	0	1	10	(3.2)	24	(6.7)	
No less than 37.0 but less than 37.5	0	0	0	0	0	0	0	0	0	1	0	0	1	1	(0.3)	18	(5.1)	
No less than 37.5 but less than 38.0	0	0	0	0	0	0	1	0	1	0	0	0	0	1	(0.3)	2	(0.6)	
No less than 38.0 but less than 38.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(0.0)	3	(0.8)	
No. of firms	8	14	32	25	14	32	48	31	204	80	0	26	106	310		356		
Average	34.38	34.28	34.36	34.71	33.95	34.27	34.40	34.54	34.39	34.22	#N/A	34.13	34.20	34.29		Average	35.04	
Median	34.00	34.20	34.50	35.00	34.05	34.50	34.50	34.66	34.50	34.50	#N/A	33.90	34.41	34.50		Median	35.12	
Mode	34.00	34.00	34.50	35.00	35.00	35.00	34.00	33.00	35.00	35.00	#N/A	33.00	35.00	35.00		Mode	35.00	

(Note) Median is the value at the center of the data distribution, which would exclude any deviation resulting from the number of respondents or the irregularity.

low/high values as much as possible. Mode is the value most cited by the respondents and [#N/A] (Not Applicable) indicates that all respondents' values differ.

4.2 Japanese Yen/Thai Baht

- Regarding the exchange rates used in business planning (Japanese Yen/Thai Baht), the predominant rates used are in a range between “No less than 4.0 but less than 4.1” (20.7%), followed by “No less than 4.2 but less than 4.3” (18.5%), with the median rate at 4.2 yen/baht. In the previous survey, the predominant answers fell in a range between “No less than 4.0 but less than 4.1” (30.8%), followed by “No less than 4.1 but less than 4.2” (21.6%).

Industry Yen/Baht	Manufacturing									Non-manufacturing				Total	Total from the Previous Survey (First Half of 2024)
	Food	Textile	Chemical	Steel/Non-ferrous metal	General machinery	Electrical/Electronic machinery	Transportation machinery	Others	Manufacturing sector total	Trading	Retail	Others	Non-manufacturing sector total		
No less than 3.0 but less than 3.1	0	0	1	0	0	0	0	0	1	0	0	1	1	2 (0.6)	3 (0.8)
No less than 3.1 but less than 3.2	0	0	0	0	0	0	0	0	0	0	0	0	0	0 (0.0)	0 (0.0)
No less than 3.2 but less than 3.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0 (0.0)	0 (0.0)
No less than 3.3 but less than 3.4	0	0	0	0	0	0	1	0	1	0	0	0	0	1 (0.3)	3 (0.8)
No less than 3.4 but less than 3.5	0	1	0	0	0	0	1	0	2	1	0	0	1	3 (0.9)	2 (0.6)
No less than 3.5 but less than 3.6	1	0	1	0	1	0	1	3	7	4	0	1	5	12 (3.4)	15 (4.2)
No less than 3.6 but less than 3.7	0	0	0	0	0	0	2	0	2	1	0	0	1	3 (0.9)	3 (0.8)
No less than 3.7 but less than 3.8	0	0	0	0	1	0	1	0	2	0	0	0	0	2 (0.6)	7 (2.0)
No less than 3.8 but less than 3.9	0	0	0	0	1	1	1	1	4	0	0	2	2	6 (1.7)	22 (6.2)
No less than 3.9 but less than 4.0	0	0	0	1	1	1	4	3	10	4	0	0	4	14 (4.0)	43 (12.0)
No less than 4.0 but less than 4.1	2	0	6	7	4	9	12	6	46	17	0	10	27	73 (20.7)	110 (30.8)
No less than 4.1 but less than 4.2	0	1	2	2	1	3	14	4	27	10	1	2	13	40 (11.4)	77 (21.6)
No less than 4.2 but less than 4.3	1	5	8	4	4	6	12	7	47	11	1	6	18	65 (18.5)	72 (20.2)
No less than 4.3 but less than 4.4	1	4	3	6	2	6	1	1	24	20	0	6	26	50 (14.2)	-
No less than 4.4 but less than 4.5	4	1	4	7	3	6	1	3	29	8	0	6	14	43 (12.2)	-
No less than 4.5 but less than 4.6	0	2	4	1	2	3	3	4	19	11	0	8	19	38 (10.8)	-
No. of firms	9	14	29	28	20	35	54	32	221	87	2	42	131	352	357

Average	4.18	4.23	4.11	4.22	4.13	4.21	4.06	4.12	4.14	4.18	4.15	4.20	4.19	4.16	Average	3.93
Median	4.30	4.29	4.20	4.27	4.20	4.20	4.10	4.10	4.20	4.20	4.15	4.20	4.20	4.20	Median	4.00
Mode	4.40	4.20	4.20	4.00	4.00	4.00	4.20	4.00	4.00	4.00	#N/A	4.00	4.00	4.00	Mode	4.00

(Note) Median is the value at the center of the data distribution, which would exclude any deviation resulting from the number of respondents or the irregularity.

low/high values as much as possible. Mode is the value most cited by the respondents and 「#N/A」 (Not Applicable) indicates that all respondents' values differ.

5. Challenges for Corporate Management (multiple answers)

- The top challenge for Japanese companies' corporate management, is “Severe competition with other companies” (66%), followed by “Increase in total labor cost” (42%), “Sluggish domestic demand” (41%), and “Surging prices of raw materials and parts” (35%).

Previous survey	Current survey	Challenges for corporate management	No. of firms and (%)		
			Manufacturing	Non-manufacturing	Total
1	1	Severe competition with other companies	178 (64)	183 (69)	361 (66)
2	2	Increase in total labor cost	139 (50)	93 (35)	232 (42)
5	3	Sluggish domestic demand	121 (43)	104 (39)	225 (41)
3	4	Surging prices of raw materials and parts	128 (46)	62 (23)	190 (35)
4	5	Foreign exchange rate fluctuation	116 (41)	72 (27)	188 (34)
6	6	Changes in products/users' needs	69 (25)	79 (30)	148 (27)
7	7	Shortage of engineers	65 (23)	37 (14)	102 (19)
8	8	Enhancement of business efficiency through digital transformation	47 (17)	50 (19)	97 (18)
10	9	Increase in logistics cost	56 (20)	40 (15)	96 (18)
14	10	Shortage of manager-level administrative staff	45 (16)	35 (13)	80 (15)
11	10	Quality management	53 (19)	27 (10)	80 (15)
Total			1,333	1,015	2,348
No. of firms			280	267	547

(Note) Ranks up to top 10

6. Requests to the Thai Government

6.1 Requests to the Thai Government (multiple answers)

- “Promotion of economic measures (consumption stimulus measures)” (39%) is most requested by the responding companies, followed by “Implementation of measures for air pollution” (22%) and “Stabilization of monetary policy (exchange rates, interest rates)” (21%).
- “Promotion of economic measures (financial assistance)” (26%) is also popular among the manufacturing sector, while “Development of transportation infrastructure” (28%) is another popular request among the non-manufacturing sector.

Previous survey	Current survey	Requests to the Thai government	No. of firms and (%)		
			Manufacturing	Non-manufacturing	Total
1	1	Promotion of economic measures (consumption stimulus measures)	104 (42)	85 (35)	189 (39)
2	2	Implementation of measures for air pollution	46 (19)	59 (25)	105 (22)
4	3	Stabilization of monetary policy (exchange rates, interest rates)	57 (23)	46 (19)	103 (21)
3	4	Development of transportation infrastructure	34 (14)	67 (28)	101 (21)
19	5	Promotion of economic stimulus measures (financial assistance)	64 (26)	36 (15)	100 (21)
7	6	Promotion of economic stimulus measures (tax measures)	40 (16)	54 (23)	94 (19)
10	7	Improvement of customs duty-related operations e.g. custom valuation	47 (19)	42 (18)	89 (18)
6	7	Improvement of tax system implementation (e.g. Corporate Income Tax)	40 (16)	49 (20)	89 (18)
8	9	Improvement of customs clearance procedures-related operations	31 (13)	47 (20)	78 (16)
9	10	Relaxation of the Foreign Business Act	27 (11)	50 (21)	77 (16)
4	10	Implementation of flood prevention measures	46 (19)	31 (13)	77 (16)
Total			937	1,005	1,942
No. of firms			245	240	485

(Note) Ranks up to top 10

6.2 Recent Improvement in Investment Environment

(Policy Evaluation, multiple answers)

- The policy area that most of the Japanese firms recognized some improvement recently is the “Development of transportation infrastructure” (28%), followed by “Digitization of administrative procedure” (15%) and “Problems concerning work permit and visa issuance” (14%).

Previous survey	Current survey	Recent Improvement in Policy	No. of firms and (%)		
			Manufacturing	Non-manufacturing	Total
1	1	Development of transportation infrastructure	51 (27)	45 (28)	96 (28)
3	2	Digitization of administrative procedure	26 (14)	26 (16)	52 (15)
2	3	Problems concerning work permit and visa issuance	32 (17)	17 (11)	49 (14)
8	4	Development of communication infrastructure	16 (9)	31 (19)	47 (14)
7	5	Flood prevention measures	23 (12)	14 (9)	37 (11)
6	6	Economic ties e.g. FTA and EPA	22 (12)	13 (8)	35 (10)
4	7	Regulations related to green energy and its implementation	16 (9)	15 (9)	31 (9)
9	8	Promotion of economic stimulus measures (consumption stimulus measures)	13 (7)	13 (8)	26 (8)
4	8	Maintenance of public security and safety	14 (8)	12 (8)	26 (8)
11	10	Stabilization of monetary policy (exchange rates, interest rates)	13 (7)	8 (5)	21 (6)
Total			310	310	620
No. of firms			186	159	345

(Note) Ranks up to top 10

7. Wage

7.1 Impact of the minimum wage adjustment in 2024

- Regarding impact of the minimum wage adjustment implemented in 2024, most firms indicated that they experience “Limited impact” (49%) and 41% stated that they face “No impact”. Meanwhile, 7% pointed out that there is “Significant impact”.

Ranking	Impact of the minimum wage adjustment in 2024	No. of firms and (%)					
		Manufacturing		Non-manufacturing		Total	
1	Limited impact	174	(63)	92	(35)	266	(49)
2	No impact	67	(24)	152	(58)	219	(41)
3	Significant impact	31	(11)	9	(3)	40	(7)
4	Unclear	5	(2)	9	(3)	14	(3)
Total		277		262		539	

(Reference) The result of the Survey on Business Sentiment of Japanese Corporations in Thailand for the first half of 2023
(Released on June 27, 2023)

- | | |
|----------------------|-----|
| ① Limited impact | 51% |
| ② No impact | 32% |
| ③ Significant impact | 13% |
| ④ Unclear | 4% |

7.2 Implementation of measures to counter minimum wage adjustment in 2024.

- In respond to a question concerning the company’s implementation of measures to counter minimum wage adjustment, 36% of the companies indicated that “Maintaining the current wages (as all employees in the company are already earning above the minimum wage).”, while 29% stated that “Increasing wages for employees earning above the minimum wage.” , 27% stated that “Increasing to the minimum wage level” and 21% stated that “Suppressing other expenses apart from labor cost”

Ranking	Implementation of measures to counter minimum wage adjustment	No. of firms and (%)					
		Manufacturing		Non-manufacturing		Total	
1	Maintaining the current wages (as all employees in the company are already earning above the minimum wage)	62	(23)	115	(51)	177	(36)
2	Increasing wages for employees earning above the minimum wage.	94	(35)	48	(21)	142	(29)
3	Increasing to the minimum wage level	112	(42)	23	(10)	135	(27)
4	Suppressing other expenses apart from labor cost	64	(24)	40	(18)	104	(21)
5	Reduction of new hiring	44	(16)	15	(7)	59	(12)
6	Reduction of personnel	31	(12)	10	(4)	41	(8)
7	Passing through costs to prices of products and services	9	(3)	9	(4)	18	(4)
8	Relocating to other countries or adjusting number of production in Thailand	2	(1)	0	(0)	2	(0)
9	Others	2	(1)	10	(4)	12	(2)
Total		407		251		658	
No. of firms		268		225		493	

(Note) “No counter-measure was implemented” which appeared in the previous survey was removed. The new choices, “Maintaining the current wages” ,“Increasing wages for employees earning above the minimum wage” and “Increasing to the minimum wage level” were added to this survey.

(Reference) The result of the Survey on Business Sentiment of Japanese Corporations in Thailand for the first half of 2023
(Released on June 27, 2023)

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|--|-----|
| ① No counter-measure was implemented | 49% |
| ② Suppressing other expenses apart from labor cost | 38% |
| ③ Suppressing labor costs | 16% |
| ④ Passing through costs to prices of products and services | 14% |

7.3 The impact or response in case of significant increase in wages (multiple answers)

➤ “Suppressing other expenses apart from labor cost” (55%) is most cited as an impact or response in case of significant increase in wages in the future, followed by “Reduction of new hiring” (43%), “Decrease in profits” (40%), and “Reduction of personnel” (35%).

Ranking	Impact or response in case of significant increase in wages	No. of firms and (%)					
		Manufacturing		Non-manufacturing		Total	
1	Suppressing other expenses apart from labor cost	156	(57)	135	(54)	291	(55)
2	Reduction of new hiring	126	(46)	99	(39)	225	(43)
3	Decrease in profits	120	(44)	89	(35)	209	(40)
4	Reduction of personnel	126	(46)	60	(24)	186	(35)
5	Passing through costs to prices of products and services	88	(32)	76	(30)	164	(31)
6	Implementation of efficiency-related investment	95	(35)	43	(17)	138	(26)
7	Declining in attractiveness as an investment destination	45	(16)	30	(12)	75	(14)
8	Relocating to other countries or adjusting number of production in Thailand	25	(9)	7	(3)	32	(6)
9	Increase in company's sales due to the increase in purchase power	9	(3)	11	(4)	20	(4)
10	Others	1	(0)	7	(3)	8	(2)
Total		756		532		1,288	
No. of firms		274		252		526	

(Note) “Suppressing labor costs” which appeared in the previous survey was removed. The new choices, “Reduction of new hiring” and “Reduction of personnel” were added to this survey.

(Reference) The result of the Survey on Business Sentiment of Japanese Corporations in Thailand for the first half of 2023
(Released on June 27, 2023)

- | | |
|--|-----|
| ① Suppressing other expenses apart from labor cost | 59% |
| ② Decrease in profits | 50% |
| ③ Passing through costs to prices of products and services | 40% |
| ④ Suppressing labor costs | 38% |

8. Competitive situation in products and services

8.1 Competition that currently becomes more intense (multiple answers)

- “Chinese companies in Thailand” and “Imports from Chinese companies” (43%) rank first on the list of the competition in products and services which currently becomes more intense, followed by “Japanese companies in Thailand” (37%), and “Thai companies in Thailand” (34%), respectively.
- While many manufacturing firms indicated that the competition with Chinese companies is becoming more intense, many non-manufacturing firms stated that competition with Japanese and Thai companies is becoming more intense.

Ranking	Competition that currently becomes more intense	No. of firms and (%)					
		Manufacturing		Non-manufacturing		Total	
1	Chinese companies in Thailand	121	(45)	98	(40)	219	(43)
1	Imports from Chinese companies	126	(47)	93	(38)	219	(43)
3	Japanese companies in Thailand	74	(28)	116	(48)	190	(37)
4	Thai companies in Thailand	72	(27)	103	(42)	175	(34)
5	Chinese companies in export markets	72	(27)	23	(9)	95	(19)
6	Japanese companies in export markets	28	(10)	16	(7)	44	(9)
7	European and US companies in Thailand	23	(9)	19	(8)	42	(8)
8	Imports from ASEAN companies	13	(5)	9	(4)	22	(4)
9	Thai companies in export markets	6	(2)	7	(3)	13	(3)
10	European and US companies in export market	8	(3)	4	(2)	12	(2)
Total		516		468		984	
No. of firms		268		244		512	

8.2 Competition that is expected to be more intense in the future (multiple answers)

- Regarding competition that is expected to be more intense in the future, “Chinese companies in Thailand” (53%) is the most popular choice among the respondents, followed by “Imports from Chinese companies” (40%) and “Thai companies in Thailand” (34%)

Ranking	Competition that is expected to be more intense in the future	No. of firms and (%)					
		Manufacturing		Non-manufacturing		Total	
1	Chinese companies in Thailand	153	(57)	118	(48)	271	(53)
2	Imports from Chinese companies	122	(46)	85	(35)	207	(40)
3	Thai companies in Thailand	66	(25)	110	(45)	176	(34)
4	Japanese companies in Thailand	59	(22)	98	(40)	157	(31)
5	Chinese companies in export markets	73	(27)	29	(12)	102	(20)
6	Japanese companies in export markets	23	(9)	12	(5)	35	(7)
7	European and US companies in Thailand	14	(5)	16	(7)	30	(6)
8	Imports from ASEAN companies	13	(5)	9	(4)	22	(4)
9	Thai companies in export markets	6	(2)	7	(3)	13	(3)
10	European and US companies in export market	7	(3)	3	(1)	10	(2)
Total		510		468		978	
No. of firms		268		244		512	

9. The government’s policy that company has expectation for, among the 10 urgent policies (multiple answers)

➤ Among the government’s 10 urgent policies, “Promotion of debt restructuring, especially mortgages and auto loans, Resolution of debt issue” (69%) is most cited as the government’s policies that the company has expectations for, followed by “Reduction of utilities and energy costs and Improving law and regulations such as Direct Power Purchase Agreement (Direct PPA)” (45%). While 21% have expectations for “Support and Protection for SMEs from unfair competition from foreign firms”.

Ranking	Government’s urgent policy that company has expectation for	No. of firms and (%)				
		Manufacturing		Non-manufacturing		Total
1	Promotion of debt restructuring, especially mortgages and auto loans, Resolution of debt issue	185	(69)	165	(69)	350 (69)
2	Reduction of utilities and energy costs. Improving law and regulations such as Direct Power Purchase Agreement (Direct PPA)	156	(58)	73	(30)	229 (45)
3	Support and Protection for SMEs from unfair competition from foreign firms	46	(17)	58	(24)	104 (21)
4	Tackling crimes such as cyber and transnational crimes	42	(16)	52	(22)	94 (19)
5	Increase farmers' income through promotion of technology	38	(14)	41	(17)	79 (16)
6	Promotion of social welfare	30	(11)	41	(17)	71 (14)
7	Collaboration with neighboring countries to resolve narcotic problems	31	(12)	39	(16)	70 (14)
8	Bringing the informal and underground economies into the tax system, to generate state revenues	21	(8)	36	(15)	57 (11)
9	Promotion of tourism, Increase tourism facilities such as entertainment complexes including casinos	9	(3)	29	(12)	38 (7)
10	Proceeding the Digital wallet as economic stimulus measure	13	(5)	18	(8)	31 (6)
Total		528		469		997
No. of firms		267		240		507