

ABSTRACT

Thesis Title : Japan : the transfer of Industrial Base to Thailand

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Advisory Committee :

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The purpose of this research is to study factors that lead Japan to transfer industrial base to foreign countries during 1987 – 1997. The conceptual framework of this research applies the methods of documentary research, Mr. James N. Rosneau's linkage theory, as well as capitalism theory.

Conclusions

The main reasons for the transfer of industrial base from Japan to Thailand can be concluded as follows.

1. Internal factor

Bubble economy that emerged in Japan.

2. External factors

2.1 The Plaza Agreement that caused the yen appreciation.

2.2 Thailand's attractive policies, political environment as well as economic condition and lower cost of production.

2.3 Asian Free Trade Area (AFTA) which facilitates the logistics of products and capital within the Asian region.

Another reasons for Japan's industrial base transfer to Thailand and other Asian countries includes the aim of becoming the Asian trading leader. TNCs are the major Japanese organization whose targets are to generate tremendous profit and to merge Japan and Eastern Asian countries economy into one. TNCs applies the following strategies.

1. International Division of labor.
2. Comparative advantage in industrial production.

Recommendations

1. Beside industrial investment, Thailand should also promote agricultural investment.
2. Thailand should have clear policy for foreign investors to help develop labor efficiency and technology education.
3. Thailand should have clear industrial development and environmental preservation policies, especially those concerning industrial pollution and the neighborhood.
4. Multiple strategies should be applied to help building strategic plan for industrial development.
5. Thailand should promote greater investigation on international investment emphasizing the effects and pattern of economical relationship among Asian countries.