THE IMPACT OF ASEAN FREE TRADE AGREEMENT POLICY ON THAI GARMENT EXPORTS

DARAWAN PRAYKAW

A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE GRADUATE SCHOOL
STAMFORD INTERNATIONAL UNIVERSITY
MASTER OF BUSINESS ADMINISTRATION
ACADEMIC YEAR 2015

Title: The Impact of ASEAN Free Trade Agreement Policy on Thai
Garment Exports

Researcher: Darawan Praykaw

The Thesis Committee:

Chairman   _____

                                        (Assoc. Prof. Dr. Chanongkorn Kuntonbutr)

Thesis Advisor   _____

                                        (Dr. Apitep Saekow)

Committee Member   _____

                                        (Dr. Boonyarat Samphanwattanachai)

Committee Member   _____

                                        (Dr. Salin Watcharapongkitti)

_____

(Dr. Apitep Saekow)

Dean of Graduate School

(October, 2015)

Title:	The Impact of ASEAN Free Trade Agreement Policy on Thai Garment Exports
Researcher:	Darawan Praykaw **Student ID**: 014171008
Degree:	Master of Business Administration
Advisors:	Dr. Apitep Saekow
Academic year:	2015

Abstract

The purpose of this study aims to 1. Find the relations which are expected to be the effects from AFTA policies which consisted of 4 aspects, i.e., export quantity, export expansion, trade competitor and product quality. 2. Study in export situations of fashion garment which arise from free trade policy change in ASEAN member states.3. Study in advantages and disadvantages happen to fashion garment export entrepreneurs as the policy of establishing free trade area in ASEAN member states.

The researcher used the questionnaire for data collection survey. 300 questionnaires were distributed to the sample group which is garment exporters in Bangkok. The researcher brought suggestions from advisor and examined the content validity through IOC evaluation from 5 experts, and ensured its reliability through tryout process. The statistics used for data analysis are descriptive statistics (Frequency, Percentage, Means, and Standard Deviation), and Inferential Statistics (ANOVA (f-test) and Chi-Square).

The results of hypotheses test using Multiple Regression Analysis indicated that the factors mostly influenced to prediction were entrepreneur's primary factor in the field of labor, raw materials, duty and shipment of export, expressed by 78.2% and all above correlated to effects of free trade policy in ASEAN member states in the field of export quantity on Thai garment export industry.

ACKKNOWLEDGMENT

Before this thesis was completed, it took quite a long time because most of the data used in this thesis was from the Ministry of Commerce, Department of International Trade Promotion, and Department of Trade Negotiations and most data needed a long waiting time. In December 2014, the data on all imports of 2014 was not yet available. Also, the data on imports during the first quarter of 2015 was also needed but it took almost 4 months to wait for this information from the Ministry of Commerce.

This research would not have been successful without the cooperation from officers in the Ministry of Commerce including Department of International Trade Promotion and Department of Trade Negotiations. The researcher requested for many types of information to use as the references of this research. The researcher, therefore, would like to express the gratitude towards the officers from every section in the Ministry of Commerce for kind cooperation in providing the information.

In addition, the tool used in this research would not have been able to work effectively with the samples if two lecturers had not provided support in verifying the tool's efficiency.

The researcher is also grateful for Dr.Apithep Saekow, who is an important person for every success of this research. Dr.Apithep is the thesis advisor who provided guidelines, consultation, advice, as well as suggestions on the important resources to use in this research. In addition, Dr.Apithep also helped in checking the research content thoroughly and supported this research by allowing the researcher to conduct this research on behalf of Stamford University.

Darawan Praykaw

CONTENTS

CONTENTS (Cont.)

CONTENTS (Cont.)

LIST OF TABLES

LIST OF TABLES (Cont.)

LIST OF TABLES (Cont.)

LIST OF FIGURES

LIST OF ABBREVIATIONS

AC	Stands for	ASEAN Community
ACPM	Stands for	ASEAN Communication Plan Master
AEC	Stands for	ASEAN Economic Community
AFAS	Stands for	ASEAN Framework Agreement on Services
AFTA	Stands for	ASEAN Free Trade Area
AICO	Stands for	ASEAN Industrial Cooperation Scheme Agreement
AMM	Stands for	ASEAN Ministers
APSC	Stands for	ASEAN Political-Security
ASA	Stands for	Association of South East Asia
ASCC	Stands for	ASEAN Socio-Cultural Community
ASEAN	Stands for	Association of Southeast Asian Nations
ASEAN+3	Stands for	Association of Southeast Asian Nations + 3
ATIGA	Stands for	Asean Trade in Goods Agreement
CLMV	Stands for	Cambodia, Laos, Myanmar and Vietnam
FDI	Stands for	Foreign Direct Investment
TIP	Stands for	Thailand, Indonesia, and Philippine

CHAPTER 1

INTRODUCTION

1.1   Statement of the Problem

Recently, Thailand has focused more on imports and exports to foreign countries. Thailand exports products to foreign countries every year as well as expands the market and cooperation with many other trade partners (Ministry of Commerce, 2013) Regarding Thai exports, in 2014, Thailand's value of exports to ASEAN countries was 26.11 percent, to China 11.02 percent, to the US 10.50 percent, to European Union 9.59 percent, and to Japan 9.59 percent. These information is based on Thailand's international trade in 2014 (Department of Trade Negotiations , 2014) Due to high amount of exports to other countries, Thailand decided to participate in AFTA since 1992 with an objective to promote the expanding of international trade and to build a good relationship and cooperation in economic between the member countries. (Department of Foreign Trade, 2014) The main purposes of attending AFTA policy were to develop ASEAN's ability to compete and to attract foreign investment to use ASEAN as manufacturing base. The countries joining ASEAN includes Thailand, Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, and Vietnam. The total population of these 10 countries is around 580 million people, which can be economically compared with the US, China and Japan. (Department of Foreign Trade, 2014) As a regional union with the goal to expand international trade, import and export taxes must be reduced as much as possible. ASEAN started to reduce taxes in 1983 and continually reduced up to present. In reducing tax, the original ASEAN countries including Thailand, Malaysia, Indonesia, Singapore, Philippines, and Brunei, which are more developed than others, were the leading countries in reducing AFTA taxes. In 2003, the 6 original ASEAN countries reduced taxes for 60% of products on the list of 0% tax, and then increased the number of products to be 80% of all products in 2007 On 1 January 2010, the 6 original ASEAN countries reduced taxes of all products to be 10% except sensitive and highly-sensitive products. On 1 January 2010, the other 4 countries reduced taxes to be less than 5%, which has to be 0% in 2015. However, some items may be allowed to reduce to 0% in 2018 (except sensitive and highly-sensitive products) (Ministry of Commerce, 2013)

AFTA policy promotes international trade by reducing taxes as much as possible or to 0%. (Ministry of Commerce, 2010) This makes more business operators become interested in exports. Similarly, industrial operators in Thailand are exporting more products to ASEAN countries as shown in the table below.

Table 1.1 The table displaying exports from Thailand to ASEAN in 2010-2014

Country	The Value of Exports (million USD)				
	2010	2011	2012	2013	2014
ASEAN(9)	44,317.9	54,045.0	56,499.0	59,309.5	59,425.8
Indonesia	7,346.4	10,078.2	11,209.5	10,872.6	9,510.3
Malaysia	10,566.6	12,399.0	12,424.9	13,014.9	12,764.5
Singapore	8,993.9	11,423.3	10,835.7	11,236.4	10,454.8
Philippines	4,886.0	4,640.9	4,861.2	5,033.9	5,868.1
Brunei	128.6	137.0	190.8	166.2	142.5
Cambodia	2,342.1	2,693.2	3,778.2	4,256.3	4,525.5
Laos	2,135.9	2,767.9	3,588.4	3,758.5	4,032.5
Myanmar	2,073.0	2,845.9	3,127.0	3,788.5	4,239.1
Vietnam	5,845.4	7,059.5	6,483.3	7,182.2	7,888.5

Source: Ministry of Commerce, 2010

According to the table, Thai exports to ASEAN countries expand every year. In 2010, the value of exports was USD 44,317.9 million. In 2014, the value of Thailand's total exports was 59,425.8. It is obvious that since 2010 when Thailand adjusted import and export taxes to be 0% (except sensitive and highly-sensitive products), Thailand has expanded greatly in exports. Thailand exports different kinds of products including computers, plastic resin, petroleum, machines, electronic appliances, iron, gem and jewelry, as well as clothes. (Ministry of Commerce, 2012)

Clothes are important products with a good expansion in exports. Garment industry is considered to be important in the economic and a business that can generate good income. Thisbusiness has a high rate of employment and still needs many skilled and unskilled labors. (Juntara, 2015)Thai industries' exports account for 3.4 percent

of Gross Domestic Product. The value of garment exports is around Baht 150,000 million per year. The people employed in this industry are more than 1,000,000 people or 20 percent of all employment in all industries. In Thailand, there are 4,500 factories in total including garment factories of 50%. In 2010, 123 new garment factories were launched, which employed 11,797 people. (Juntara, 2015)
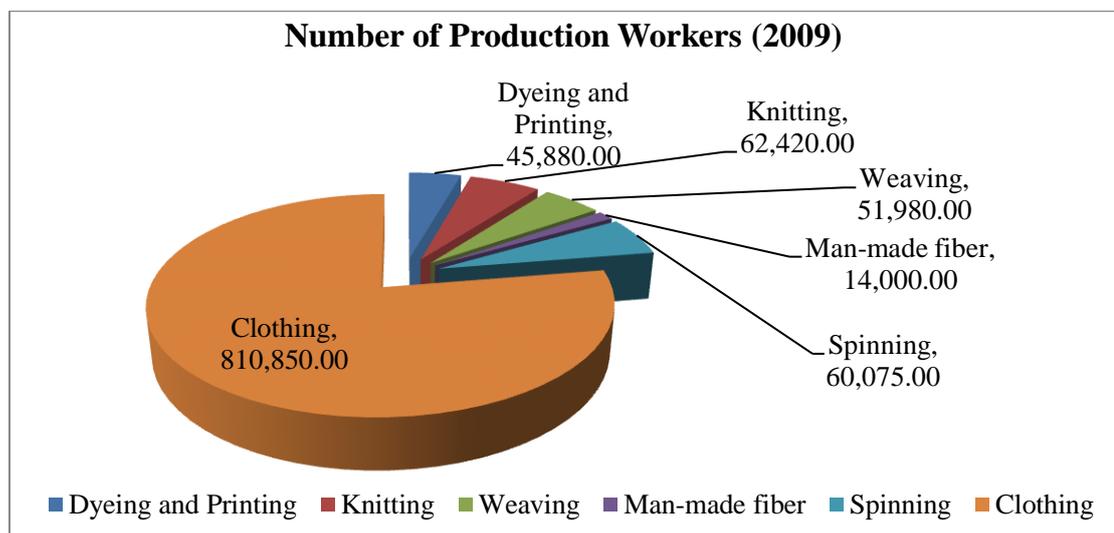
Figure 1.1 Number of Production Workers (2009)

Source: The office of Industrial Economic, 2009

According to the diagram, the number of labors in garment industry is higher than those of other industries. In 2009, Thai garment factories employed 810,850 people, which is in accordance with 2010 when AFTA policy of 0% taxes was effective. This made Thai garment industry expand and hire more labors in the industry. (Pongkapad, Manuspaibon, Tanaviriya, & Kaipornsuk, 2010) (Department of ASEAN Affairs, 2013)

In the competitive condition of AFTA, it is important for international trade to expand. Not only Thailand, other countries in ASEAN also have the same opportunities as Thailand. (Choksuchad, 2012) In other words, tax-free import and export created more competitors for Thailand. Garment industry plays an important role in the development of various industries. Currently, Thai garment export is facing with a more intensive competition, particularly against a country with more advantages on lower cost and cheaper labor. (Department of ASEAN Affairs, 2013) An important competitor is Indonesia, which has a global market share of 2 percent. Indonesia has

advantages of having a lot of labors with cheap wages as well as low costs. The government of Indonesia continually supports garment export by establishing a loan fund for small enterprise, which enables Indonesia to realize its potential in garment manufacture. (Gadcharen, 2009)

Vietnam is another country with high potential in garment manufacture. Garment is the number 2 exported product of Vietnam next to petroleum. This means that garment industry in Vietnam has expanded considerably. Vietnam also has many labors and the wage is cheap. (Juntara, 2015) These two factors are important in exporting clothes. In addition, Vietnamese government also supports garment industry by promoting investment from foreigners and having many investors move their manufacturing base to Vietnam. As a result, Vietnam has quickly developed technology in garment manufacture. (Juntara, 2015)

The issue of lacking labor in Thailand is caused by the fact that many factories are expanding and manufacturers are unable to serve the market demand. Thai manufacturers hire a lot of alien labors. Recently, however, the original countries of such labors have been more developed. Therefore, these alien labors are gradually moving back to their home countries. (Luanchawee, 2010) As a result of Free Trade Area, the imported products are varied in terms of quality, which makes Thailand have some difficulty to compete because of higher cost and pricing of Thai garment. (Lanchawee, 2009)

Table 1.2 The statistic of garment exports to ASEAN

Country	(Million dollar)		
	2012	2013	2014
Singapore	1204.22	146.43	1487.40
Myanmar	747.80	800.21	790.68
Philippines	446.81	399.58	425.04
Malaysia	663.33	583.14	530.86
Cambodia	451.03	375.68	328.41
Vietnam	134.66	177.54	120.29
Indonesia	203.87	189.71	256.61

Table 1.2 The statistic of garment exports to ASEAN (Cont.)

Country	(Million dollar)		
	2012	**2013**	**2014**
Lao	173.10	151.23	143.61
Brunei	76.30	71.75	65.07
Total	**4101.13**	**4155.30**	**4237.96**

Source: Ministry of Commerce, 2010

The number of exported garment within many countries of the ASEAN members is on the increase. (Ministry of Commerce, 2010) As you can see above, in case of Singapore, the number is increasing all the time. From the years 2008-2014, it increases 488 million dollars.   This number can show Thailand the benefits in attempting to develop the garment industry to export to ASEAN countries and at the same time an estimate on how this product can increase revenue too. This table can also show that we can see a big problem as well, because during this timeframe there is also a decrease in the amount for Myanmar, Philippines, Malaysia, Cambodia, Vietnam, Indonesia, Lao, and Brunei. If we move to looking in some country at the specifics around the decrease in number, we can see the number for Myanmar from 2008-2013 are an increase, but they have decreased in the year 2014 from 2013 causing a fall of -9.53 million dollars. Laos presents a similar story as they have to decrease the number from the years 2012-2014. Thailand export decreases -29.49 million dollars and in other countries too we can see a decrease in the number of Thailand garment exports too with other ASEAN country. Although in this table there is one country that have increased their number, but as we see regarding other ASEAN members the Thai garment industry exports to, the number has decreased too much. The ASEAN free trade policy has some advantages as they will cut tariff but it this alone cannot have the desired effect for Thailand to increase the number of exports. In this case are the main effects of ASEAN free trade policy on Thai garment export is competition, capital and quality. (Depertment of International Promotion, 2012)
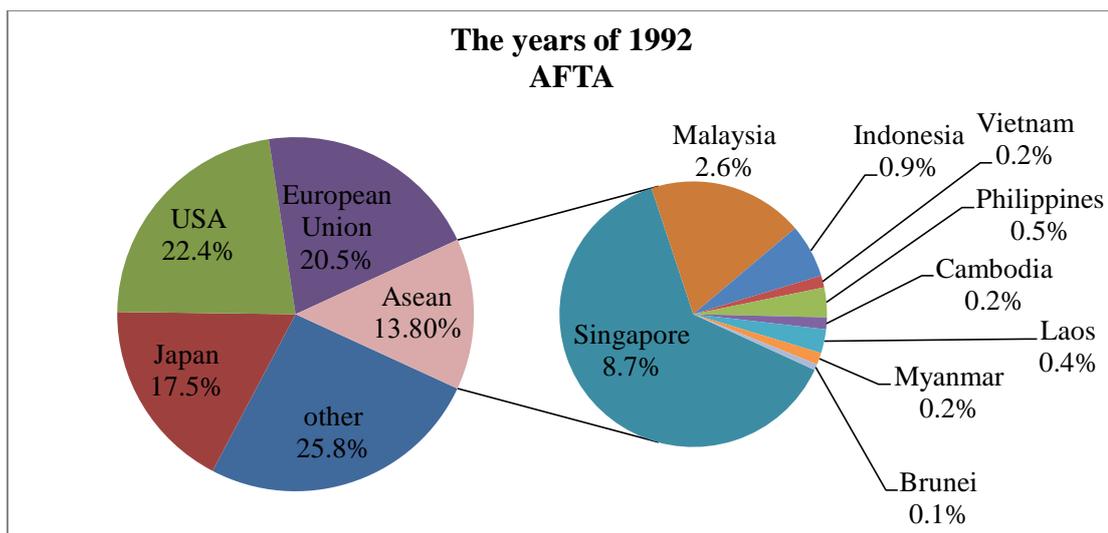
Figure 1.2 Thai Export Market in ASEAN (1992)

Source: Ministry of Commerce, 2012
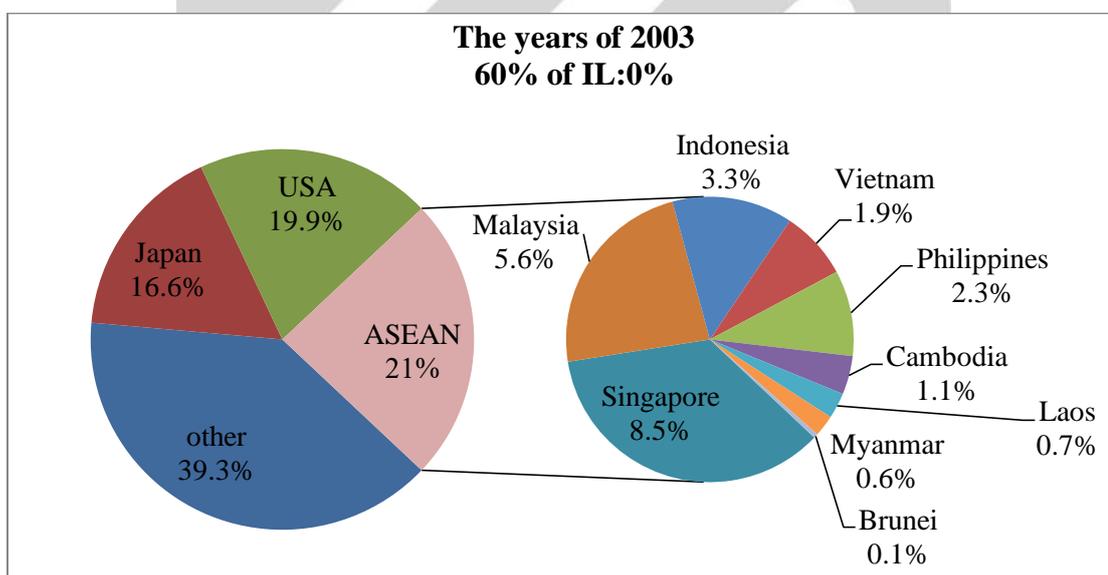
Figure 1.3 Thai Export Market in ASEAN (2003)

Source: Ministry of Commerce, 2012)
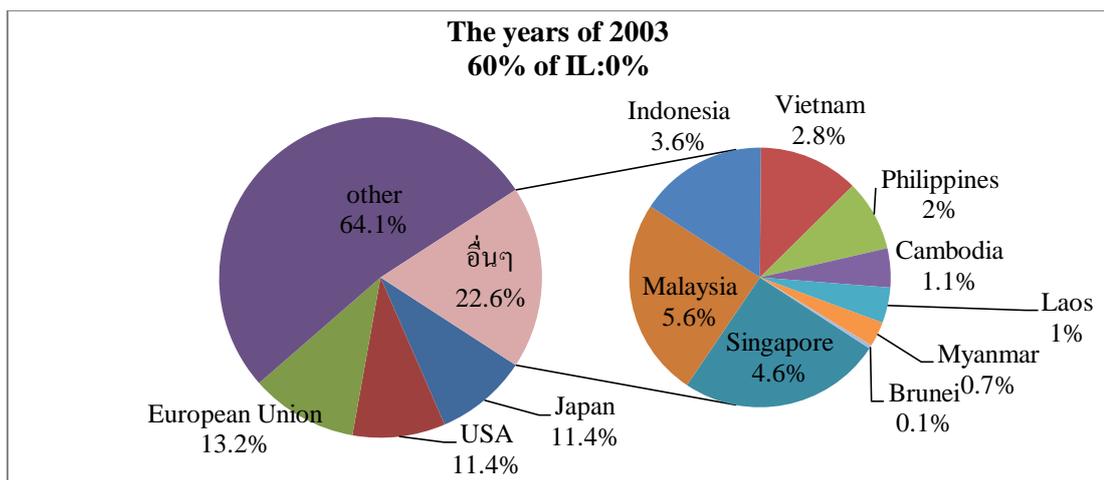
Figure 1.4 Thai Export Market in ASEAN (2010)

Source: Ministry of Commerce, 2012

The above information is about Thai exports to 9 ASEAN countries including Malaysia, Indonesia, Vietnam, Philippines, Cambodia, Laos, Myanmar, Brunei, and Singapore. The changes in number of exports can be found when comparing 1992 to 2008. In 1992 when AFTA was commenced, the import and export taxes were reduced so Thailand was able to export more products to other countries. For example, in 1992, Thailand exported products to Malaysia for 2.6 percent. Then, in 2003, Thailand reduced taxes of 60% of products to be 0%. This made Thai export to Malaysia expand more than in 1992 for 2.8%. In 2008, Thailand exported products to Malaysia as much as 3.8%. In addition, ASEAN countries also export to global market for 22.6%. Therefore, AFTA has an impact on the exports of ASEAN countries within the region as well as to global market. Department of Trade Negotiations, 2014

1.2 Research Question

1. What are the factors that relate to expected results from AFTA (consisted of 4 fields: export quantity, export market expansion, trade competitors and product quality)?

2. What are occurred according to the changes of fashion garment export situation arisen from free trade policy of ASEAN member states?

3. For establishing of free trade area in ASEAN member states, what are advantages and disadvantages obtained by entrepreneurs?

1.3 Objective

1. To find the relations which are expected to be the effects from AFTA policies which consisted of 4 aspects, i.e., export quantity, export expansion, trade competitor and product quality.

2. To study in export situations of fashion garment which arise from free trade policy change in ASEAN member states.

3. To Study in advantages and disadvantages happen to fashion garment export entrepreneurs as the policy of establishing free trade area in ASEAN member states.

1.4 Significance of the study

This research was the study in factor correlating to the expected results from AFTA agreement which consisted of 4 fields: export quantity, export market expansion, trade competitors and product quality. From the primary study, it was found that exporting from Thailand to ASEAN countries was increased since the initiative of AFTA in 1992 until present. The researcher has studied in the export situation of Thailand that occurred by the changes of AFTA policy and studied in advantages and disadvantages arisen from free trade policy in ASEAN member states and obtained by entrepreneurs by studying in the populations which were Thai exporter and collecting data from 390 samples, separated by trading area: Platinum, Water Gate, Chatuchak and Bobae. The researcher hope this research would be benefit to persons interesting in related or consistent topics and it could be the study guideline in the trends of Thai garment export to ASEAN member states in the future.

1.5 Scope of Study

In analyzing the impact of free trade on Thai textile export industry, the scope of study is as follows.

1. The focused products of study were ready-made clothes from weaved and knitted fabric as well as baby clothing with product codes classified by customs definition from HS6101-HS6114 and HS6201-HS6211.

HS6101-HS6114 means textile products for infants and children

HS6201-HS6211 means textile products, garment and clothes for men and women (adults).

2. In terms of product market, this study chose only the impact of FTA policy establishment on Thai textile export to ASEAN countries including Brunei, Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Vietnam, and Myanmar.

3. Regarding data collection, this research gathered and analyzed data related to FTA in ASEAN and Thai textile export industry from the beginning of tax reduction until it became 0% tax during 2003-2013.

4. As for data collection, it was conducted by using population in Bangkok chosen from 3 out of 50 districts including Pratunam, Boe Bae, Chatuchak, and Platinum. The samples were directly selected from business operators of textile export to ASEAN countries.

1.6 Conceptual Framework
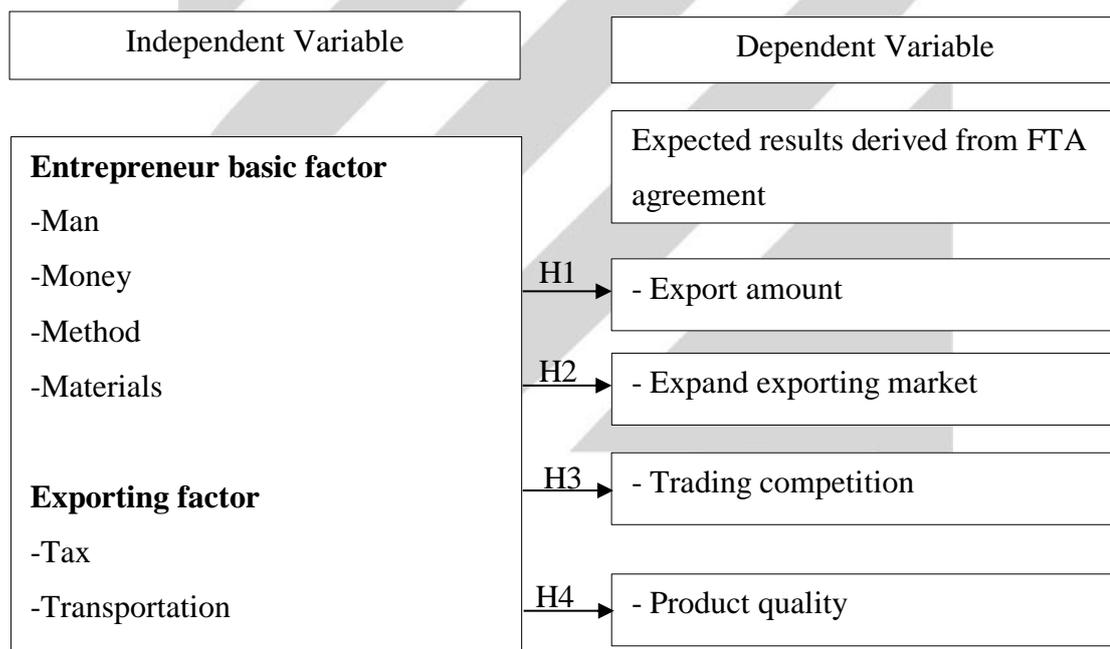
Figure 1.5 Conceptual Framework

1.7 Research Hypotheses

Hypothesis H1:   Factors correlating effects of free trade policy in ASEAN member states in export quantity on Thai garment export industry

Hypothesis H2:   Factors correlating effects of free trade policy in ASEAN member states in export market expansion on Thai garment export industry

Hypothesis H3:   Factors correlating effects of free trade policy in ASEAN member states in trade competition on Thai garment export industry

Hypothesis H4:   Factors correlating effects of free trade policy in ASEAN member states in product quality on Thai garment export industry

1.8 Definition of Terms

1. Entrepreneurs mean entrepreneurs of Thailand clothes or garment industry, which export their product to ASEAN countries. The products are upper-body clothes, trousers, skirts, sportswear, bathing suits, children's clothing, etc. Their objectives are to seek for profit and growth, focus on market demands to response those demands. Economically, entrepreneurs means the ones gathering production factors such as lands, labors and capital that will be produced to be products and services. In this research, the entrepreneurs produce garment and clothes that will be export to ASEAN countries.

2. Populations mean the entrepreneurs exporting fashion garment. The researcher has studied in 4 areas: Platinum, Water Gate, Chatuchak and Bobae. These trading areas are running garment sales. The researcher particularly chose to study in the populations that export garment or clothes to ASEAN countries only and there were totally 390 persons of population.

3. Man means human resource which its importance is stated in the status of production factor. Therein, it means sewing, cutting and dyeing, included with all production processes of garment industry. Moreover, labor is human capital which its potential can be developed to be higher as the meaning of labor: peoples in working age which can work by using their own power and thinking power consisted of various educational and capability level which are economic benefit for the country. The labor in this research included 3 labor types as follows:

3.1 Skilled Labor means the person who has theoretical and practical knowledge. Therein, professional skill should allow personal decision making and problem solving.

3.2 Semi-skilled Labor means the person who has theoretical and practical knowledge but the skill is just some part of occupation.

3.3 Unskilled Labor means the person who works by using just physical power and the knowledge and skill are not necessary. That person can work after obtained a few suggestions.

4. Money means production cost. Cost is expenses arisen in production of products that would be used for sale to create income. It begins since the step of product design, production, test, storage and transportation. In this research, production cost is the money invested by entrepreneur for purchasing raw materials, labor wages, including cost of shipping products to ASEAN countries. It means, the expenses of all processes related to fashion garment export.

5. Method means production process that is employing production factors such as lands, capitals, labors and trading capability to introduce to a process under a level of technology. In this research, it means the combination of sewing, cutting and dyeing machine to produce finished-garment products and services to reply demands of customers in ASEAN countries.

6. Materials means main raw materials used in production and clearly specified what production they belong to and how much their quantity and cost, included with arranging them as major raw materials for that production such as threads, cloth sheets, dyeing colors included with garment accessories such as buttons, zippers or may include with production equipment for export garment production such as sewing machine, etc.

1.9   Expected Benefits

The result from this research would be used to analyze the factors affecting Thai garment exportation industry from AFTA policy in tax, manufacturing cost and labor aspects, and study the tendency of trade and exportation of Thai garment exportation business. This research shall be useful for entrepreneurs wishing to study on AFTA and its impacts to Thai garment exportation industry and those who wish to further the study in future

1.10   Rationale

Based on the study on academic documents, articles from library in different institutes, including data on the internet and related authorities such as Ministry of Commerce, Department of International Trade Promotion, Department of Trade negotiations and Thai Garment Manufacturer Association, the researcher found an increase of garment export quantity from the year 1992- 2010 which corresponds to the establishment of AFTA (established 1992). The tax has been continuously reduced until 1999 and become 0% in 2010 (except goods mentioned in sensitive and very sensitive lists). The garment is considered as goods with periodically tax reduction and excluded from goods in sensitive list. The researcher found that AFTA may have an impact to Thai garment exportation quantity and number of trade competitors which means the increase of competitor numbers and price competition. There would be an impact from this change in tax, labor and manufacturing cost. The researcher used all information gained from the literature review for this research to find the impact of AFTA policy towards Thai garment exportation industry.

CHAPTER 2
LITERATURES REVIEW

AEC (The Association of South East Asian Nations : ASEAN) developed from the South East Asian Nations, founded on 8 August 1967. Originally, there were 5 countries including Indonesia, Malaysia, Philippines, Singapore, and Thailand. In 1984, Brunei joined the association, followed by Vietnam in 1995, Laos, Myanmar, and Cambodia in 1999. (Petnok, 2012) (Suksatid, 2012) Currently, there are 10 countries, which is a big economic group consisting of 580 million population. (Export-Import Bank of Thailand, 2010)

The goal and cooperation of ASEAN countries can be expressed in its slogan "One Vision, One Identity, One Community". (Association of Southeast ASIAN Nations, 2014) The main purpose of AEC is to allow free movement of products, service, investment, labor, and capital. (ASEAN Secretariat, 2013) AFTA stands for ASEAN free trade area, which was established in 1992 with an objective to increase the competitive ability of ASEAN to be a manufacturing base for exporting to the global market. (Gadcharen, 2009) (Satiantai, 2011)

2.1   Definition

ASEAN : Association of South East Asian Nations which refers for a group of 10 countries: Thailand , Malaysia, Indonesia, Philippines, Singapore, Myanmar, Laos , Vietnam, Cambodia and Brunei for the purpose of promoting economic cooperation, nation stability, social and cultural aspects. All activities are based on equality and common benefits of the ASEAN countries. (Anon, 2012)

Free flow of goods: the free movement of goods; ASEAN member countries are entitled to move goods freely without the imposition of customs. The free movement of goods is very important for the entrepreneurs as in each country the materials and equipment exported are different. This policy is to promote the ASEAN members to produce the goods with high quality and low cost to exchange with the goods from other ASEAN members without any trade obstacle.

Free flow of skilled labors: the free movement of skilled labors within ASEAN countries which is a significant opportunity to drive the community economy. This policy allows labors in seven professional categories (Medical Service, Dental Service, Nursing Service, Engineering Service, Architectural Service, Surveying Qualification and Accountancy Service) to freely move within ASEAN countries (Sutiyito & Mendoza , 2015)

Free flow of services: the free movement of service within ASEAN countries such as ICT service, financial service, tourism service. The labors in each country are entitled to freely service within the ASEAN territory. The free flow of services is a factor that   drives the community economy. (Mikic, 2008)

Free flow of investment: the investment liberalization that allows the investors to invest freely in the community as each country has different distinct business aspect that attracts the investors. All the investments in whichever country in ASEAN promotes the community economy. This policy directly involves foreign investors and is one of strategies that encourage the members to build ASEAN into a common marketing or manufacturing base which is a community goal. (Association of Souteast Asian Nation, 2008)

Free flow of capital: the free movement of capital without fees. This policy annuls related regulations to facilitate investors to execute their financial activities between member countries of community. It includes annulations of investment conditions to promote the capital in community. This policy is effective in 10 member countries of ASEAN. Therefore, the investors in community are entitled to move, make a payment more freely within the community. (Lupo, 2011)

FTA: Free Trade Area or Free Trade Agreement. All member countries in ASEAN agree to reduce the customs duty as much as they can or abolish the customs duty to promote the importation and exportation between member countries. This is to reduce the trade cost for all entrepreneurs in ASEAN.

Tax: in this study the tax defines a tax reduction policy, including its positive and negative impacts of free trade area establishment. The reduction or the abolishment of customs duty is effective in 6 member countries of ASEAN and will be effective in other 4 countries in coming years as per the community plan. (Ngoc, 2015)

ATIGA: ASEAN Trade in goods Agreement. It is the agreement of 10 member countries (Thailand, Malaysia, Indonesia, Philippines, Singapore, Myanmar, Laos, Vietnam, Cambodia and Brunei) to build ASEAN into a common marketing or manufacturing base. This agreement includes policies related to free flow of goods, service, investment, skilled labors and capital. All member countries of ASEAN will respect and comply with the agreement. (Ministry of Commerce, 2014)

Table 2.1 ASEAN's original import duty reduction timeline

2001	2002	2003	2010
90% of IL: 0-5%	All of IL: 0-5 %	All of IL: 0-5 %	All of IL: 0%
		60% of IL: 0%	

Note: IL = Inclusion List **Source:** Department of International Trade Promotion, Ministry of Commerce, 2014

Table 2.2 ASEAN's new import duty reduction timeline

Vietnam	Laos and Myanmar	Cambodia
1. 80% of IL: 0% in 2010	1. 80% of IL: 0% in 2010	1. 60% of IL: 0% in 2010
2. 100% of IL: 0% in 2015	2. 100% of IL: 0% in 2015	2. 100% of IL: 0% in 2015

Note: IL = Inclusion List **Source:** Department of International Trade Promotion, Ministry of Commerce, 2014

From the above tables, if we compare the new table to the original one, we can see that the six major nations: Thailand, Malaysia, Indonesia, Philippines, Singapore and Brunei have already gradually reduced their import duty to 0% in 2010 but the remaining four countries: Vietnam, Laos, Myanmar and Cambodia have just reduced the import duty with 80% of IL at 0% in 2010 and 100% of IL at 0% in 2015.

Free trade policy is originated from the theory of comparative advantage, which stated that "each country should produce goods that is most advantageous in terms of costs. Even though a country is disadvantageous to another country in producing all kinds of goods, both countries can still trade with each other by producing goods that, after comparing with others, they have lower cost and then trade it to another country".

According to the theory, free trade policy supports countries with different advantages to produce goods which they have lower cost and then trade it with other countries. This will result in the diversity of goods with low costs for import and export. The free trade policy does not support high tariff and any regulations considered as trade barriers. Therefore, free trade policy characteristics are as follows. (Ministry of Foreirg Affairs of The Kingdom of Thai, 2013)

1. Supporting the division of specialization: each country produces goods with the highest efficiency at lowest cost so that when trading with others, each country can buy such goods with highest efficiency and lowest cost. (Department of International Trad Promotion, 2009)

2. No Protective Duty: this policy has an objective to protect and support domestic industry but still allows tariff as a source of government's income.

3. No privileges for any particular country: the same taxation rate is used for the reason of fairness on goods from every country.

4. No Trade Restriction: no controlling or barriers on imports and exports except some kinds of controlled products that are harmful for health.

Free trade Area: FTA, therefore, refers to an economic union with the objective to reduce tariff to be as low as possible or 0% while implementing normal rate with other countries outside the group. FTA is for both goods/service and investment.

2.2 The ASEAN Trade in Goods Agreement or ATIGA

The foundation of the ASEAN Economic Community and its free trade area could never have happened without the ASEAN Trade in Goods Agreement, which is considered to be imperative among the ASEAN nations that must be held and proceed accordingly. (Liampasert, 2014) The ASEAN Trade in Goods Agreement or ATIGA, is an agreement included in the AEC Blueprint. The objective of this agreement is to combine all the ASEAN nations into a single market and share the same production bases or facilities. This agreement gives 5 liberties to transfer goods, services, investments, skilled labors and capitals freely. (Department of Foreign Trade, 2014) This agreement is also related to many previous ASEAN's agreements regarding goods as followed: (Department of Trade, 2012)

1.	The Agreement on ASEAN Preferential Trading Arrangement: ASEAN PTA. This agreement was made voluntarily among the ASEAN nations. For example, an exchange of goods between ASEAN nations will grant a privilege of discounted import duty, which will promote international trade among the AEC. It also gives the benefit of no import duty which is considered to be a trade barrier. This agreement greatly decreased the trade barrier and has been signed in 1977 and took effects since January 1, 1978. (Department of Trade, 2012)

2.	The Agreement on the common Effective preferential Tariff Scheme for the ASEAN Trade Area: CEPT. This agreement was made during the 4th ASEAN summit regarding ASEAN free trade area to reduce import duty among ASEAN nations. According to the summit, the reduction of import duty will be conducted in the six major nations first, followed by the remaining four countries. This free trade area was established to promote international trade without trade barriers among the ASEAN nations. (Department of Trade, 2012)

3.	This agreement regards ASEAN Agreement on Custom 1997. This agreement was made during a conference of Director-Generals of ASEAN in Indonesia. This agreement encourages ASEAN members to provide customs cooperation among each other and promote international trade.

4.	The ASEAN Framework Agreement on Mutual Recognition Arrangement: MRAs. Established in 1998, this agreement's primary objective is to standardize and provide cooperation regards the quality of goods among ASEAN, which is considered as a way to promote international trade. Usually involved with acknowledgement of the standards of 20 groups of goods such as electronics, like Air-conditioners, Televisions, Radios, Refrigerators etc. There is also an agreement regarding cosmetic registrations called ASEAN MRA on Product Registration Approvals for Cosmetics.

ASEAN Agreement to Establish and Implement the ASEAN Single Window. Formed in 2005, the agreement indicates that the six major nations must have the system installed and ready by 2008 and 2015 for the rest of the ASEAN members.

There are still many other ASEAN agreements. The main point of the ATIGA is the objective of establishing trading regulations and makes trade among ASEAN countries more convenient. Each country can trade with each other easier and can achieve their common interests. When regulations are established, this agreement will strengthen

the trade among the ASEAN nations. That said, every ASEAN members must acknowledge their common goals regarding trading with each other, so that trading between ASEAN can be fair and square. This agreement also covers tax measures that will reduce obstacles in trading as many as possible while able to trade as a single market and share the same production facilities. This agreement indicates that each nation can transfer goods, services, investments, capitals, and skilled labors freely without any trade barriers. (Ministry of Commerce, 2012)

That's why this agreement is imperative among the ASEAN nations in trade cooperation. The contents of ATIGA has 11 chapters (Department of Trade, 2012) that I have summarized each chapter as followed:

Table 2.3 Table of contents of ATIGA

Contents of ATIGA chapter 1-11	
Chapter	**Content**
1	Chapter 1 regards general legislations about ATIGA. The main points are objectives and many definitions for the ASEAN members to acknowledge, terms of reference in identifying goods, fees and tariffs regarding import-export, measures to maintain the balance of payments, ASEAN trading data securities including many exceptions. For example, chapter 1 clearly indicates that each member must not act upon discriminations or being unreasonable toward other members. Also, there are other exceptions regarding national security in order to maintain peace and security between the ASEAN nations.
2	Chapter 2 is about tax liberalization, the reduction or cancelation of import duty of six major members by reducing and eventually canceling in 2010 and the remaining four countries will have to cancel all import duty by 2015 but can be extended until 2018. This chapter describes about reduction and cancelation of import duty among the ASEAN nations so that each nation has an understanding and can achieve their common goals. This chapter clearly indicates that how many percent should each country reduce and must reach 0% by which year so that the members can acknowledge the procedures. This chapter also describes the cancelation of Tariff Rate Quotas: TRQs that the members must not implement the TRQs against each other both import and export.

Table 2.3 Table of contents of ATIGA (Cont.)

Chapter	Content
	Contents of ATIGA chapter 1-11
3	Chapter 3 describes the origin of goods by sorting out goods produced in ASEAN nations or with the ratio of production value of no less than 40% will receive tariff special benefits. Chapter 3 includes the formula to calculate both directly and indirectly.
4	Chapter 4 regards non-customs measures. The agreement says that the ASEAN members must not implement non-customs measures in exporting against other members. This chapter emphasize that each nation should trust and trade without non-customs measures with each other.
5	This chapter is about providing convenience in trading by describing working plans and providing convenience in trading among the ASEAN nations such as customs, regulations and trading procedures. It also mentions the ASEAN Agreement to Establish and Implement the ASEAN Single Window and there will be progress tracking every 2 years to ensure that the customs electronic convenience will be effective.
6	This chapter describes the jurisdiction of customs regarding goods sold between the ASEAN nations with rules and regulations implemented to the ASEAN. This chapter indicates that each member trade fair and square and provides convenience in customs.
7	Chapter 7 regards technical regulations inspection procedures, an agreement about standardizing the inspection of import goods at the customs in the ASEAN nations.
8	Measures of sanitation and plant's sanitation of the ASEAN nations. Each nation has to adapt for their own. This chapter emphasizes the important of sanitation by sharing ideas among members such as how to prevent agricultural pest and the spread of disease. This chapter helps maintain the people, livestock and plant of ASEAN healthy.
9	The measures of trade compensation.

Table 2.3 Table of contents of ATIGA (Cont.)

Contents of ATIGA chapter 1-11	
Chapter	**Content**
10-11	The last two chapters describe institutes or agencies and their roles in ASEAN trading. These agencies are responsible for consulting and conference procedures and give counsel regarding agreements made between the ASEAN nations. They also have the responsibility of compiling and correcting all the legislations and every nation must establish an AFTA agency to serve as the center to coordinate tasks according to ATIGA.

Source: Department of Trade Negotiations (2014)
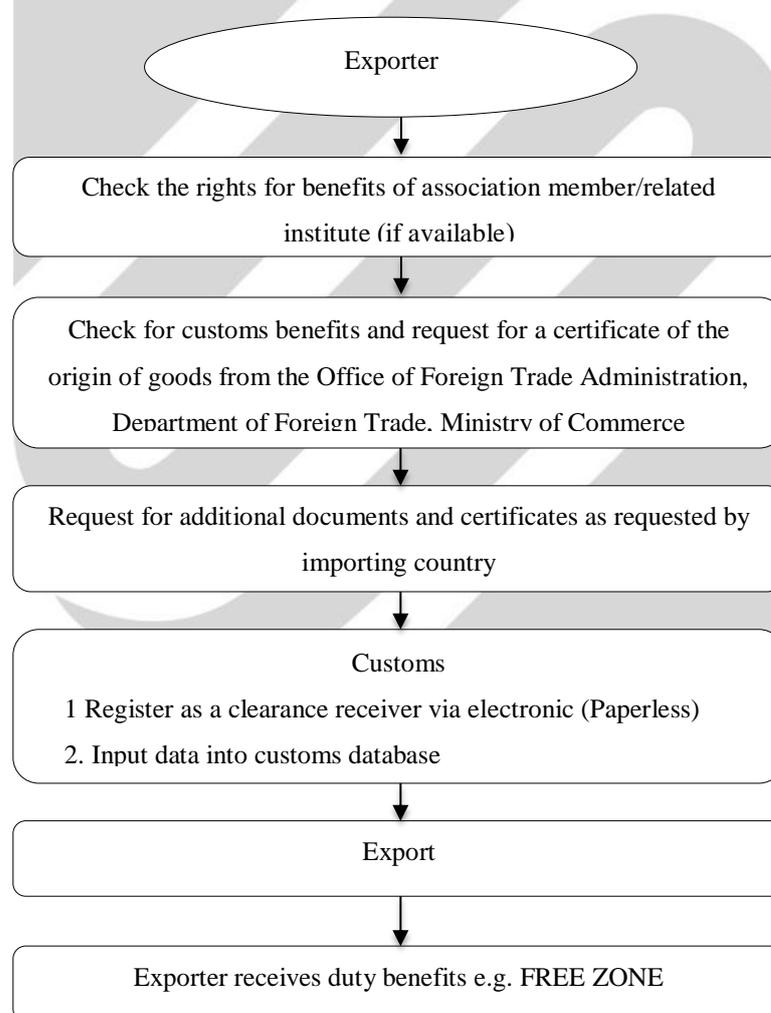
Figure 2.1 Diagram of apparel export procedures

2.3 Research that relate to the impact of ASEAN free trade policy on Thai garment exported

The research of is a study related to the direction of Thailand's import and export after entering AFTA. The researcher adapted a gravity model to simulate important trade factors by selecting 1993, 1998, 2004 and 2012. The gaps between these years represent the beginning, the middle and the very end of AFTA period. The result shows us that the GDP of the trade partner affects Thailand's import and export. If the trade partner's GDP increase by 1%, Thailand's GDP will increase by 0.679%. The result also shows us that if the distance between Thailand and its trade partner increase by 1%, Thailand's import and export will decrease by 0.834%. When considering Thailand's import and export from 1993 to 2012, Thailand is more likely to import and export more. The hypothesis is that the effects of entering AFTA make Thailand import and export more. Cheong, 2008
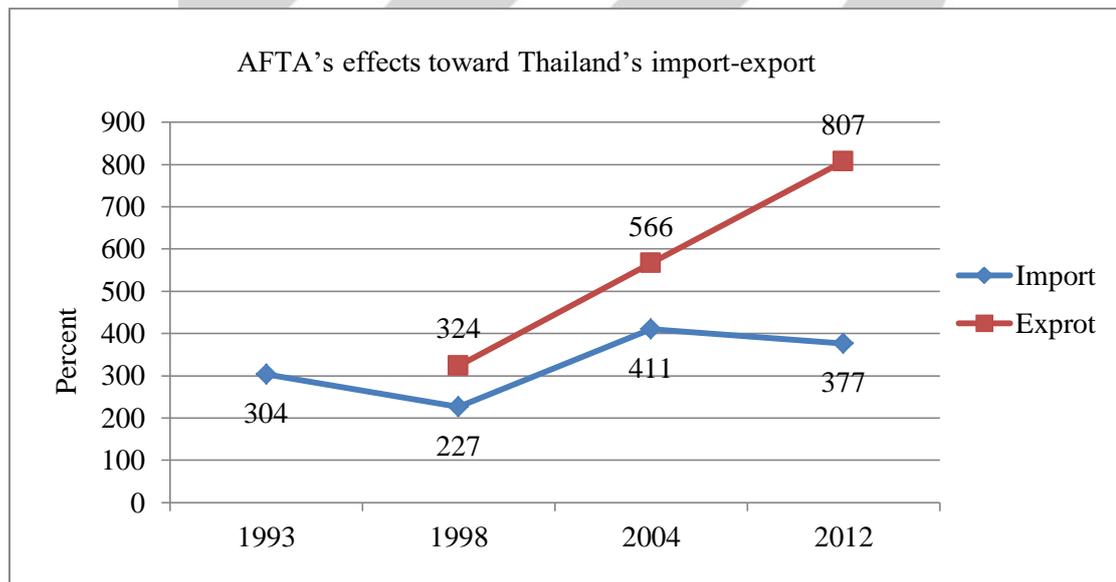
Figure 2.2 AFTA's effects toward Thailand's import-export

Source: Cheong, 2008

The above picture indicates that Thailand's import and export after entering AFTA from 1993 to 2012 has increased. That said, AFTA affects the trade growth of Thailand. From the situation, even though some years show the decrease of import, that's because of the financial crisis back in those years. The decrease was a little

amount compared to the growth. We can see that each year, the trade increase by multiple. This means that Thailand's entering AFTA is a success. The lowest ratio of Thailand's export to other ASEAN nations at 17.64 was in 1993, the first year of AFTA. If we compare this to the following years' results, it is obvious that Thailand's trade with ASEAN has greatly increased and if we consider the amount of import and export, the import-export value are in conform with each other as followed:

Value of Thailand's import-export with 9 other ASEAN nations:
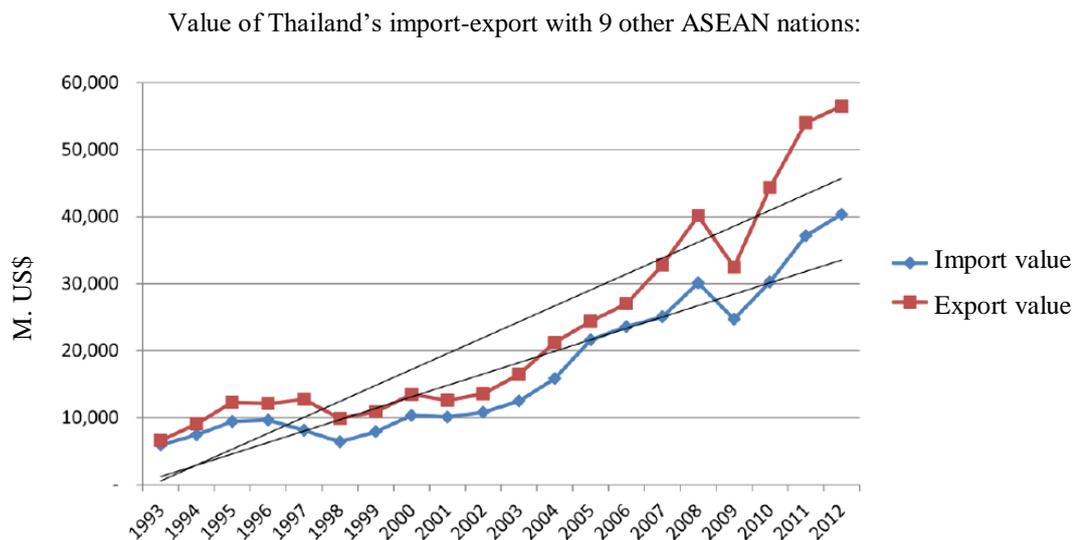
Figure 2.3 Value of Thailand's import-export with 9 other ASEAN nations

Source: Cheong, 2008

The graph shows the value of Thailand's import and export with other ASEAN nations from 1993 to 2012. We can see that in 1993, Thailand exported to ASEAN for 6,585 Million US$. The export value later increased to 56,499 Million US$ in 2012. That means the export value increased by 757% and was Thailand's number one export market, more than any other countries.

Matupanee (2012)The establishment of AFTA causes Thailand's import and export to greatly increase. If Thailand's trade partner's GDP increase by 1%, the import of Thailand will also increase by 0.679% and 0.779% for the export. If the distance between Thailand and the trade partner increase by 1%, the import of Thailand will decrease by 0.834% and 0.795% for the export. It is obvious that AFTA's policies by

gradually decreasing import duty greatly increase the amount of Thailand's import and export.

Napadonkit (2013) Has researched the "Analysis of Thai Textiles and Apparel Export Competitiveness in EU Market". This research is to study the generalities of the apparel industry and the situation of Thailand's apparel exporting to the EU market. Also to study the factors affecting the export competitiveness estimate the capabilities to compete of Thailand's apparel in the EU market. The researcher has compared with other major competitors and has studied factors assisting in the growth of apparel's market. The researcher used the method of quantitative analysis by using index of international market share, index of trade competitiveness to compare with other major competitors. The result showed that Thailand's export 60 has less competitive but export 61, 62 and 63 have more competitive. That's because the scale of economic growth and the limitation of technologies in Thailand. After comparing with other competitors, China, India and Turkey have better advantages than Thailand because these countries have more production capabilities.

Chinthayarungson (2013) Has studied "The Effect of AFTA". This research used the gravity model by studying the changes in ASEAN trade (Southeast Asia Association of the United Nations) from 2001-2003, when AFTA was experiencing a major boom. The result was, the establishment of AFTA caused each member to increase their production for export or increase the amount of goods. The ASEAN nations received benefits from AFTA and the free trade positively affected the ASEAN nations. For smooth operation, free trade and taxes must be implemented while other structures barring the trade need to be adjusted. AFTA tax reduction was not implemented in all countries at the same time but gradually under CEPT (Common Effective Preferential Tariff Scheme). Tax measures according to AFTA are as follows: 1) The original 6 ASEAN countries including Thailand, Indonesia, Philippines, Malaysia, Singapore, and Brunei gradually reduced tax since 1992 and reduced to 0% in 2010. 2) The new membership countries in ASEAN including Vietnam, Laos, Myanmar, Cambodia reduced tax since 2010 and it will be 0% in 2015. 3) In the 10th ASEAN Summit in November 2014, the member countries signed in an agreement to accelerate tax reduction in 9 product categories including agriculture, fishery, wooden products, rubber products, textile, automotive, electronics, information technology, and health. Tax reduction is to

be moved up 3 years from previous agreement. For the older members, it will change from 2010 to 2007. For the newer members, it will change from 2015 to 2012.

According to the research on the impact of FTA, many scholars, business operators, and researchers have discussed on both positive and negative impact of FTA directly imposed on manufacturers and consumers. However, this research is the study of related information to analyze the impact of FTA on Thai garment industry. The research provides a good analysis on Thai export trends.

The research found that a negative impact of FTA mainly occurs with infant industries because they are not sufficiently efficient to compete in the global market. These industries are affected by cheap products from member countries in FTA. As we can see that the countries that export the same product will compete with each other. Therefore, the countries producing the same product are competitors without supporting each others. This makes FTA a system that destroys the global trade.

Satiantai (2011) In a added, another impact of AFTA on manufacturers is that it increases opportunities for exporters and benefits operators who want to import raw materials from other countries for their production. Also, FTA enhances domestic competition because manufacturers can expand their production for exports after export tax is reduced by the trading partner countries. As for the manufacturers who import products for domestic sale, they can buy such products at a lower cost and can be more competitive in terms of pricing. However, the manufacturers who produce goods for domestic sale need to compete against cheaper imported products so they have to adapt to be more competitive. At the same time, (the minister) stated that FTA makes the most effective resources within each country. The manufacturers can choose materials from different resources in a low cost to produce goods with a cheap price. This benefits the consumers while manufacturers can increase their competitiveness in terms of pricing. FTA has 2 aspects of impact including: 1) Positive impact (1) FTA makes trading and investments expand. In FTA, the taxation rate is low or 0% so it changes the way of trading by enabling the countries in FTA to expand their export. According to the research findings, Thai export increased for more than 42.19 percent. (2) FTA is a distribution channel to other regions nearby such as India, which is the portal to South India region including Sri Lanka, Bangladesh, etc. (3) FTA is a solution to the problems of trade and investment barriers. Other than tax reduction, FTA also involves negotiations

to reduce, exempt, or collect tax in the lowest rate or at 0%. This makes trading between member countries expand more. The research found that FTA makes Thai export expand for more than 19.4% per year. 2) Negative impact: FTA has a negative impact on manufacturers in some industries such as those with low abilities to compete against other countries. Therefore, they have to improve manufacture potential and standard as well as adjustment cost.

(Import-Export Bank of Thailand , 2010) Related to the impact of FTA, the Import-Export Bank of Thailand provided some information on the impact of FTA policy in the article "Opportunities and Impact of AEC on Thai Industries". According to this article, FTA has both positive and negative impact. The positive impact is that FTA provides a channel for Thai products to reach ASEAN market of more than 590 million people as well as a base for exporting to global market. Tax reduction or exemption increases opportunities to produce and expand the market for export. According to the data, 0% taxation in 2010-2015 has continuously increased intra-regional trade. The ratio of Thai export to ASEAN market increased for 18.2% of total Thai export. In 2009, ASEAN was the no.1 region with Thai export.
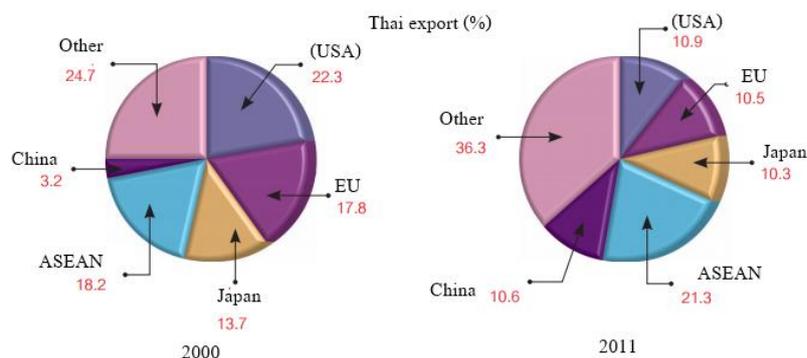
Figure 2.4 The proportion of Thai export divided by countries in 1998 and 2009

Source: Import-Export Bank of Thailand, 2010

In addition, FTA policy has a positive impact as it offers an opportunity to increase international trade among ASEAN members because they are required to lift NTMs. FTA policy also facilitates trading by adjusting the rules and procedures to be in the same direction to reduce transaction costs in ASEAN and increase the competitiveness. Moreover, FTA policy helps reduce production cost by providing options for manufacturers

on imported products, which makes these manufacturers gain more advantages on pricing. (Paoaree, 2011) Thailand can utilize the diversity of ASEAN, which is in accordance with the comparative advantage principle. For example, Thailand can use ASEAN as a manufacture base as well as use the natural resources, labors, and raw materials from Laos, Myanmar, Cambodia, and Vietnam, etc.

In terms of negative impact, the Import-Export Bank of Thailand stated that FTA makes the competition in market more intense. This is because ASEAN countries share the same exported products so they have become the competitors of Thailand. Therefore, Thailand has to adjust in handling with such intense competition. Also, some products with low quality or below standards are present in Thai market more and more. The advantages and disadvantages of Thai products in ASEAN market after the launching of AFTA are as in the table below.

Table 2.4 Thai exports with advantages and disadvantages

Export market	Thai products with advantages	Thai products with disadvantages
Laos PDR	cassava products, beverages, faxes, TV, computer components	cloth, leather and leather products, refrigerators parts, freezers
Cambodia	rubber products, feed, furniture, refrigerators parts, freezers	cloth, yarn, corn, cassava products
Vietnam	sugar, corn, rubber products, fruits, furniture, air conditioners, refrigerators, freezers, car and motorcycle parts, cement	textile, rubber, feed, rice, coffee, machines, furniture, plastic products
Singapore	beverages	
Brunei	rubber products	
Philippines	corn, feed, synthetic fiber, freezers, cement	cloth, yarn, rubber, steel, coconut

Table 2.4 Thai exports with advantages and disadvantages (Cont.)

Export market	Thai products with advantages	Thai products with disadvantages
Malaysia	furniture, air-conditioner parts, cars, processed agricultural products	cloth, leather, leather products, corn, feed, palm oil, electric devices
Indonesia	corn, rubber products, frozen fruits, furniture, air-conditioner parts, cosmetics, soaps, cars, processed agricultural products	cloth, plastic resin, tea, palm oil, iron, metal, textile

Source: Import-Export Bank of Thailand, 2010

According to a survey by the Federation of Thai Industries on the prediction of the impact of AEC on business operation conducted to 100 business operators, 42.2% of the people who completed questionnaire predict that AEC will have no impact on the business while 38.2% predict AEC will have a positive impact on business because there will be more markets. Also, free taxation in ASEAN will cut the cost so business operators can compete in pricing more. 16.6% of those who completed the questionnaire believe that AEC will have a negative impact because there will be more competitors as a result of no taxation. Also, Thailand is disadvantageous in terms of labors and materials so ASEAN countries can attack Thai market more. According to the survey on Thai industries, most questionnaire completers who believe that AEC will have a positive impact include fashion industry for 45.5%, electric devices industry 50.0%, food and medicine 75.0%.

Table 2.5 The Impact of AEC on Business Operation Considered by Industry

The Impact of AEC on Business Operation Considered by Industry			
Industry	No Impact (unit : percentage)	Positive Impact	Negative Impact
Fashion	36.4	45.5	18.2
Construction and household appliances	30.3	45.5	24.2

Table 2.5 The Impact of AEC on Business Operation Considered by Industry (Cont.)

The Impact of AEC on Business Operation Considered by Industry			
Industry	**No Impact (unit : percentage)**	**Positive Impact**	**Negative Impact**
Automotive and machines	80.0	20.0	0.0
Electric devices and electronics	25.0	50.0	25.0
Food and medicine	25.0	75.0	0.0
Energy	57.1	14.3	28.6

According to the survey regarding to exports, 65.5% of questionnaire completers with no exports predict that AEC will not have any impact on their business. However, 45.2% predict that the impact will be positive because there will be more markets so they can compete more in terms of pricing.

2.4 Related Research

Saipin Shintrakoonchai (2009) conducted a research on "The Impacts of Clothing Quota Elimination under Multi-Fibre Agreement Analyzed by Computable General Equilibrium Model". The objectives of this research were to analyze how clothing quota elimination under Multi-Fibre Agreement makes Thai textile and clothing export increase and Thai overall export expand. In addition, this research also considered the impacts of export expansion towards the change of products price level, international employment and trading, and overall economy of Thailand. The analysis of such impacts applied Computable General Equilibrium Model as a tool of data analysis. According to the research, the tendency of international textile trading has changed in a direction that allows it to be freer. Textile and clothing quota elimination under Multi-Fibre Agreement caused leading countries especially USA and European countries to open a market without limiting quota. As a result, many textile export countries including Thailand also benefit from this policy. The higher amount of textile exports due to textile and clothing quota elimination under Multi-Fibre Agreement makes the production amount and labor employment increase. In addition, the higher amount of textile exports also makes the index of consumer products and GNP increase and Thailand's

trade balance adjusts in a good direction. However, regarding the import index, it has also increased but in a lower rate compared to export.

Pratchamon Lakornwong (2007) conducted a research on "Advantage Analysis by Comparing Thai Ready-Made Clothing". The objectives of this research were to study the advantage by comparing with major competitors in USA and Japan. According to the research, textile industry can be divided into 5 sub-categories including fiber industry, threading industry, weaving industry, dyeing, printing and embellishing industry, and clothing industry. According to the research, the amount of export increased. In 2005, the export was 52,151.9 tons with expansion rate of 3.57 percent. The most important market of Thailand includes USA and Japan. The import of clothes from Japan has continually increased. Import from China had highest portion of 9,134.024 million USD or 80.091 percent of ready-made clothes import. In addition, the research also found that ready-made clothes export of Thailand to USA had an advantage. This research suggested the government and private sector to cooperate in finding guidelines and measures to increase the competitiveness against the competitors especially the Republic of China by focusing more on domestic market since Thailand is currently having more competitors from free trade. However, Thailand ready-made clothing industry needs to increase production efficiency to be in accordance with the standard required by the customers. Free trade also has an impact on capital management in terms of increasing effort to reduce the cost of errors, expanding new markets in exporting fashionable clothes. Thailand, however, has received a good opportunity from free trade to expand export market.

Achanan Kopaiboon (2007) conducted a research on "Performance of AFTA and Implication of Trade Policy in Thailand". The objectives of this research were 1) to study the development of AFTA and binding burden of free trade under AFTA framework, 2) to analyze product trading structure between Thailand and ASEAN countries focusing on specifying the products with a role of encouraging trading in ASEAN countries, 3) to analyze the rate of using and the size of AFTA privileges to assess the relationship between the rate and international trading tendency between Thailand and ASEAN countries, 4) to assess the importance of Product Fragmentation and international trade between Thailand and ASEAN in explaining the low rate of using privileges under AFTA framework, 5) to propose a policy of utilizing AFTA

privileges and meaning towards international trading negotiations of Thailand in the future. According to the research, it was found that privileges utilization under AFTA framework had limitation probably because international trading between Thailand and ASEAN had become more important. It had expanded more and received more opportunities from import tax reduction. Because of free trade policy, import tax was collected a low rate. Therefore, the utilization of privileges due to tax reduction was still low. The role of AFTA would still be limited in the future. The research results also found that AFTA establishment had the main objective to maintain the country's good image for investment rather than to promote trading between ASEAN countries. However, according to the international trend, ASEAN had become more important as an industrial trading partner. Apart from that, the structure of trading partners of Thailand in ASEAN varied. Singapore was considered the most important trading partner in the past but currently it had become less important since Thailand had turned to trade with Malaysia and the Philippines. In addition, considering FTA trading with developed countries, the market was bigger but privileges received were limited. Therefore, FTA benefits helped encouraging the amount of exports and prevent the country from being disadvantaged to competitors in the overall image.

  Sansanee Limpong (2006) conducted a research on "MFA and the Organization of International Textile Trading". Based on the research, after 2015, textile and clothing are important products in the world after having been blocked by quota limitatioin for a long time. Since MFA had been effective for a long time, the world's textile and clothing trading had been limited. Even though there was quota for exporting countries to rent, such quota obstructed export from expanding as much as it should have been. At the same time, domestic consumers had to take burden from high price of textile from such action. Finally, there was a negotiation on 15 December 1993. Since then in 2005, the world's textile and clothing trading had been free without quota anymore. This made the format and portion of trading change. The counties with high market share became very competitive possibly because of lower cost or higher product quality. Therefore, the export countries must bear in mind that after quota elimination, they would have to face with reducing world price due to more trading competitors. It was apparent that clothing export countries needed to be prepared for more serious competition especially with the countries with low cost and labor wages such as China. The

government and private sector had to cooperate in developing production technology to reduce production cost, develop the product quality, increase production efficiency, and add more types of products to be diverse and different from other exporters. Producing same kinds of product will be disadvantaged to the country with lower cost and higher product quality. This was for achieving export target to expand and be ready for free trade as well.

Kriangkrai Dechakanon and Patta Kerdruang (2007) conducted a research on "An Impact of Free Trade Area on the Adjustment in Supply Chain of Thailand Textile and Clothing Industry". According to the research, FTA had an impact on textile and clothing industry in many developing countries. The countries with advantages on the cost and production capacity could expand market share without being limited of the quantity while the other countries without production advantages would lose market shares if they were not prepared for the changing situation. However, it was found that after quota elimination, the quantity of clothing exports continually expanded. Thailand advantages became lower especially in terms of clothing products. In adjustment, the manufacturers should produce more efficiently. Quota elimination caused higher marketing competition. Thailand had limitations in terms of cost so it could not receive special privileges such as GSP like some developing countries. Apparently, the relationship in supply chain in Thailand had to adjust a lot following the changes of trend. Quota elimination had some effects on each production process from initial production of raw materials and fiber, medium production of weaving, dyeing, embellishing, to ending production of tailoring until delivering to purchasers and consumers. Particularly, this action affected retailers the most as they needed the products that could respond to consumers' needs. However, this research mentioned that under such serious competition, the adjustment that operators had to urgently make was to develop the efficiency in producing, planning, and managing. More importantly, they needed to continually develop their personnel as well as follow up on new production technology which could be applied in increasing the efficiency and reducing cost.

Apinya (2007) conducted a research on "the impact of free movement of labor on Thailand" and found that the free movement of labor has impact on Thailand in four aspects including security, health, society, and economics. On security issue, the free movement of labor affects international relationship issues including minorities,

illegal labor, unclear law and policy. On health issue, there will be a problem on disease control, serious disease elimination, and budget burden for the service and treatment provided to alien labors. On society issue, free movement of labor will affect the safety of lives and properties, crimes, social discrimination, illegal immigration, human trafficking, drugs, as well as half children born in Thailand. The last one is economics issue, the topic which this research is about. Free movement of labor will cause some problems including labor cost, job competition, and labor skill development. In addition, as the number of alien labors is not stable, it is impossible to make a clear job allocation for alien labors in the industry. Even though alien labors are now allowed to work temporarily in Thailand, as they can work freely, those labors, especially skilled ones, have a big impact on Thai labors.

Seemat (2013) conducted a qualitative research on "Preparation of Thai Fashion Business for the Participation in ASEAN Economics Community". The objectives of this research were to study the response towards changes in AEC and to study business strategies in exporting Thai fashion clothes as preparation for AEC market. From this research, there were medium and small business operators of around 80% of all operators. Most of them were textile and clothing operators or 99.8% of all operators. In terms of competition in AEC textile and clothing industry, Thailand had a tendency of being the leader because textile products had a hug market and good expanding rate. As a country with complete process of textile industry which produces for Cambodia, Laos, and Vietnam, Thailand has quality laboratories, modern and standard products and skillful labors. Neighboring countries, therefore, prefer buying products from Thailand to China. Although there are many operators in Thailand, they cannot export as much products as they should because the lack of knowledge, language skills, or legal knowledge. In managing Fashion business to reach ASEAN market, the operator needs to have suitable resources in business operation including 4Ms: Man, Money, Method and Materials. In this research, the researcher analyzed the situation inside and outside using SWOT Analysis and the results are as follows. The strength is that Thai operators have good design abilities and Thai labors are skillful. The weakness is that Thai textile and clothing industry needs to import materials from abroad. The opportunity is that Thai operators have high production capacity. The threat is that other countries in ASEAN produce the same kind of products, which results in pricing competition while Thai

wages are high. Based on the research, business operators of fashionable clothes should realize the importance of using marketing analysis tools such as SWOT and 8Ps in order to develop effective strategies.

Pornpimon (2007) conducted a research on "Important Factors that Have an Impact on Exporting Thai Products to ASEAN Countries". This research's main purpose was to analyze the impacts on exporting Thai products to ASEAN countries. The objectives of this research were to analyze important factors which have an impact on Thai exports to ASEAN countries and to find out about export possibilities and competitive ability on trading between Thailand and ASEAN countries. In details, Thailand has traded with ASEAN countries for a long time and developed a more important role since the establishment of free trade area. This also makes ASEAN become a more important market. This research was an analysis by creating econometrics model, prediction of multiple regression equation by simple minimum least square, and export concentration index. According to the research, the factors that have an impact on Thai export with statistical significance and in accordance with an assumption of demand and supply law are GDP of the trading partner country and the export price. These two factors are adjusted by price index of Singapore. From the analysis using concentration index formula, Thailand has high product concentration and export price. The products found with highest concentration include computers and parts, which have highest concentration in Singapore market. This research also suggested that in order to expand Thai export to ASEAN countries, the government should support the export of some important products such as agricultural and industrial products. In addition, there should be export diversification to ASEAN countries more. Also, border trading problems should be clearly solved so as to reduce the concentration. However, currently, business operators have more income from exporting products to ASEAN countries. If the government supports the export more clearly, it will help the operators to have more stable income from export.

Kamonmat (2013) conducted a research on "AEC and Textile and Clothing Export in Thailand". The objectives of this research were 1) to learn about general condition of Thai textile and clothing industrial products, 2) to study the advantages by comparing Thai textile and clothing to ASEAN countries which are major competitors, 3) to find out about the potential of Thai textile and clothing industrial products in

ASEAN countries. In terms of data analysis, this research is descriptive and quantitative. According to the research, among clothing products (HS61-HS63), the products that Thailand has an advantage since 2010-2012 are handkerchiefs (HS6213) and tailor patterns. When comparing with competitors like Singapore, Malaysia, and Indonesia, Thailand has an advantage on shirts or male and boy clothes. As for Singapore, it has an advantage on knitted or crochet clothes, embellished cloths, table cloths or hand towels. This is because Singapore has a policy to increase the number of population within the country. In terms of clothes, Malaysia has an advantage in 2010-2012 on used clothes and other stuff and threadless textile. As for Indonesia, it has an advantage on overcoats and wind breakers. When compared to other countries such as Thailand, Singapore and Malaysia, Indonesia has an advantage on textile products of underpants, pajamas, shower gowns, and kids clothing. This research suggested the government to pay attention to developing research and supporting business association to increase allies by reducing cost and joining in investments. In addition, business operators should develop their products to be modern and create brand awareness since most consumers believe that products from Asia such as China and Vietnam have low quality. The opening of AEC allows Thailand to export products more conveniently so the operators can expand export market as well.

Walailuk (2013) conducted a research on "Redesigning Supply Chain for Thai Apparel Sector in Preparation for AEC Participation", which was quantitative. The objectives of this research were 1) to analyze the changes and assess the readiness of supply chain of clothing industry in entering AEC, 2) to improve supply chain and value chain of clothing industry suitable for entering AEC, 3) to study strategic plans of government and private sector in adjusting textile industry for the development of AEC, 4) to propose an appropriate model to business operators for preparation for AEC.

According to the research, the researcher compared AEC factors that have an impact on business operators in each country including Thailand, Vietnam, Indonesia, Cambodia, Myanmar, and Laos.

Table 2.6 Compared AEC factors that have an impact on business operators in each country including Thailand, Vietnam, Indonesia, Cambodia, Myanmar, and Laos

No.	Thailand	Vietnam	Indonesia	Cambodia	Myanmar	Laos
1	Labor	Materials	Materials	Labor	Materials	Materials
2	Materials	Labor	Labor	Government	Logistics	Labor
3	Economics	Government	Location	Materials	Labor	Logistics
4	Logistics	Infrastructure	Logistics	Logistics	Infrastructure	Infrastructure
5	Government	Economics	Infrastructure	Infrastructure	Government	Government
6	Location	Logistics	Economics	Economics	Economics	Location
7	Infrastructure	Location	Government	Location	Location	Economics
8	Risks	Risks	Risks	Risks	Risks	Risks

According to this initial information, the researcher summarized that important AEC impacts are labor, logistics, and materials. From data analysis of operator's opinion, the operators prioritized each factor as follows. In labor factor, the first 5 priorities are 1) low cost of labor 2) sufficient labor to meet demand 3) highly skilled labors 4) flexible labor wages 5) good attitude of labors. In material factor, the top 5 priorities include 1) high quality materials 2) high quality suppliers 3) low materials cost 4) sufficient amount of materials to meet demand 5) high credibility of suppliers. In logistics factor, the operators prioritized 5 main components including 1) little time spent for transportation 2) low cost of transportation 3) sufficient and effective logistics service providers to meet the demand 4) low number of import and export paperwork and not complicated 5) diversity of transportation. However, the operators must be prepared for AEC as appropriately as possible.

CHAPTER 3
RESEARCH METHODOLOGY

The research in effects of free trade policy in ASEAN member states on Thai garment export industry was survey research using questionnaires as research tool and to collect information from Thai garment export entrepreneurs. The researcher has determined the research methodology as follows:

1. Research method
2. Type of research
3. Populations and samples
4. Research tool
5. Research tool creation
6. Data collection
7. Data analysis method

3.1 Research Method

This research is about the impact of AFTA policy on Thai garment export industry. It is a survey research using a questionnaire and interview as tools for collecting data.

3.2 Type of Research

This research is a quantitative research. The researcher collects data through a survey and questionnaires. The data collection comprises the literature reviews from academic studies and journals. The data can be divided into 2 parts as follows;

1. Primary Data: the researcher collected data through a survey questionnaire to study the impacts of free trade zone policy of ASEAN countries towards exportation of Thai garment business. The sample group will answer the questions by themselves. With this method the data gained will reflect the opinion of sample group accurately (Driscoll, 2013)

2. Secondary Data: the researcher collected data through academic source, documents, articles from library in different institutes such as Stamford or NIDA,

including data on the internet and related authorities such as Ministry of Commerce, Department of International Trade Promotion, Department of Trade negotiations and Thai Garment Manufacturer Association. (Hox & Boege, 2015)

3.3 Populations and Samples

1.   Populations

This research only employed Thai garment export entrepreneurs as populations.

2.   Samples

Due to the exact amount of Thai garment export entrepreneurs was unknown, the researcher has calculated the sample size using formula for that case. The maximal error was fixed at 5%, 95% of confidence level with the calculation using the equation below (Kanlaya Wanichbuncha, 2002:26):

$$n \;=\; \frac{Z^2 pq}{e^2}$$

While

n	is	sample size
e	is	acceptable error level (0.05)
Z	is	Z score. This value depends on confidence level, if the confidence level is 95%, then $\alpha = 0.05$ and $1\text{-}\alpha/2 = 0.975$. While Z = Z 0.975, the value form Z table indicated Z = 1.96.
p	is	the proportion of interested population
q	is	equal to $1 - p$

For this research, the proportion of population was 50% or 0.5 and the required confidence level was 95%, it means acceptable error was 5% and the sample size calculation substitution was expressed as below:

$$n \;=\; \frac{(1.96)^2 (0.5)(1\text{-}0.5)}{(0.05)^2}$$

$$=\; 385$$

The calculation result indicated that the research sample size was equal to 385 samples. To avoid error derived from incompletion of questionnaire, there are additional reserved 15 samples and the total was 390 samples.

3.4 Sampling

The samples used in this research have been acquired from 4 trading areas in Bangkok which were Platinum, Water Gate, Chatuchak and Bobae. The researcher specifically selected these samples because those 4 areas have maximal garment business in Bangkok. The researcher conducted survey, selecting the samples that export their products to ASEAN member states. This research employed 390 samples.

3.5 Sampling Method

The researcher selected the samples using purposive sampling which is the sampling depend on the researcher's discretion. The samples characteristics were consistent to research objectives. This research required the samples which are entrepreneurs who export their products to ASEAN member states.

3.6 Research Tools

The data collection tool employed in this research was questionnaires which its contents were divided into 4 sections, totally 43 items as described below:

Section 1: 4 items of primary information of respondent such as education, monthly income, income effect, language used in business operation and the questions are check list type.

Section 2: 16 items of factors affecting Thai garment export industry related to primary factors of entrepreneur. Those are divided into 4 fields such as labor, production cost, production process and raw materials.

Section 3: 8 items of factors affecting Thai garment export industry related to export, divided into 2 fields: duty and shipment.

Section 4: 15 items of factors affecting Thai garment export industry related to expected effects from AFTA agreement. Those items are divided into 4 fields: export quantity, export market expansion, trade competition and product quality.

Section 2, 3 and 4 of questionnaire was respondent's opinion assessment by 5 levels rating scale which are very high, high, moderate, low and very low. The consistent questions would be rated by the score of 5, 4, 3, 2, 1, respectively, but for negative question the scoring was reversed to 1, 2, 3, 4, and 5, respectively. The weighting criteria were specified as follows:

Level	Positive Message	Negative Message
Very High	5	1
High	4	2
Moderate	3	3
Low	2	4
Very Low	1	5

For the score interpretation, the range of score was divided by mean of data. The interval was calculated as below (Thanin Silpjaru, 2008:60):

$$\text{Class Interval} = \frac{\text{Higher Value} - \text{Lower Value}}{\text{Number of required class}}$$

$$= \frac{5-1}{5}$$

$$= 0.80$$

This value was employed to specify the class size from Weight Mean Score, range of each class was identical as follows:

Score	Meaning
4.21-5.00	Affect to Thai garment export industry in very high level
3.41-4.20	Affect to Thai garment export industry in high level
2.61-3.40	Affect to Thai garment export industry in moderate level
1.81-2.60	Affect to Thai garment export industry in low level
1.00-1.80	Affect to Thai garment export industry in very low level

3.7 Research Tool Creation

1. Procedures of research tool creation

Step 1: Review literatures related to effects of free trade policy in ASEAN member states on Thai garment export industry which are documents, articles, theories and related researches to determine research extent and for the guideline of questionnaire design.

Step 2: After finished questionnaire design, the questions and contents would be reviewed for consistency with definitions and propose to expert to review for suitability in content which would be adjusted for accuracy before adoption.

2. Tool test

2.1 The researcher propose designed questionnaire to the advisor to review content suitability, used language, definition consistency and adjust before adoption.

2.1.1 IOC Value

Finding IOC value of professionals is conducted by reviewing the questionnaire belonged to this research. IOC (Index of item Objective Congruence) is the validity value of questionnaire or consistency value between question items and objectives or contents. This research employed 5 professionals to consider the criteria. The scoring and consideration criteria are as follows:

1) Mark +1if they are sure that the question could measure as the objective

2) Mark 0if they are not sure that the question could measure as the objective

3) Mark -1if they are sure that the question could not measure as the objective

2.1.2 Criteria

1) The question is valid if its IOC value is within 0.50-1.00.

2) The question has to be revised if its IOC value is below 0.05.

Table 3.1 IOC value

Details of IOC test	IOC Value
1. Factors affecting Thai garment export industry related to entrepreneur's primary factor	IOC Value $= \dfrac{15.6}{16}$ $= 0.975$
2. Factors affecting Thai garment export industry related to export	IOC Value $= \dfrac{7.6}{8}$ $= 0.95$
3. Factors affecting Thai garment export industry related to expected results from AFTA agreement	IOC Value $= \dfrac{14.4}{15}$ $= 0.96$

    2.2   Conduct trying out of adjusted questionnaire with other 40 samples excluded from pre-defined sample group to determine reliability value of each questionnaire variable using Cronbach's Alpha Coefficient to test for reliability and consistency in questionnaire (Kanlaya Wanichbuncha, 2002:26) which relate to effects of free trade policy in ASEAN member states on Thai garment export industry. The results of reliability value determination of each factor question were expressed as follows:

    2.2.1 Factors affecting Thai garment export industry which related to entrepreneur's primary factors, used in Cronbach's Alpha Coefficient analysis:

        1) Labor   Alpha = .760

        2) Production cost   Alpha = .870

        3) Production Process Alpha = .767

        4) Raw materials   Alpha = .906

    2.2.2 Factors affecting Thai garment export industry which related to export factor, used in Cronbach's Alpha Coefficient analysis:

        1) Duty   Alpha = .829

        2) Shipment   Alpha = .779

    2.1.3 Factors affecting Thai garment export industry which related to expected effects from AFTA agreement, used in Cronbach's Alpha Coefficient analysis:

1) Export quantity   Alpha =   .815

2) Export market expansion   Alpha =   .872

3) Trade competition   Alpha =   .884

4) Product quality   Alpha =   .878

        2.3   The passed questionnaire would be used for data collection from actual samples which are Thai garment export industry entrepreneur, the researcher personally take the questionnaire back and collect up to 390 completed questionnaires.

3.8 Data Collection

1. Primary Data

The questionnaires related to effects of free trade policy in ASEAN member states on Thai garment export industry were deployed to 400 Thai garment exporters.

2. Secondary Data

This type of data was derived from researching in concepts, theories, academic documents, articles, journals and researches related to effects of free trade policy in ASEAN member states on Thai garment export industry. The obtained data was used in determination of study conceptual framework of samples.

3.9 Data Analysis Method

Data analysis was conducted by statistical procedures with assistance of statistical computer program as follows (Thanin Silpjaru, 2008:60):

1. Descriptive Statistics

        1.1   Frequency Distribution and percentage were used to describe the nature of respondent primary data such as education, monthly income, income effect, language used in business operation.

        1.2   Mean and standard deviation were used to describe effect level in section 2: factors affecting Thai garment export industry which related to entrepreneur's primary factors which were divided into 4 fields: labor, production cost, production process and raw materials, describe effect level in section 3: factors affecting Thai garment export industry which related to export, divided into 2 fields: duty and shipment, describe effect level in section 4: factors affecting Thai garment export industry which

related to expected effects from AFTA agreement, divided into 4 fields: export quantity, export market expansion, trade competition and product quality.

2. Inferential Statistics

Conducted Multiple Regression Analysis to obtain which factors were correlated to effects of free trade policy in ASEAN member states on Thai garment export industry.

CHAPTER 4
RESEARCH FINDINGS

For the research in effects of free trade policy in ASEAN member states on Thai garment export industry, the researcher has collected data from 390 completed questionnaires and data analysis results were divided into 5 sections as follows:

Section 1: Respondent's primary information

Section 2: Factors affecting Thai garment export industry which related to entrepreneur's primary factors

Section 3: Factors affecting Thai garment export industry which related to export

Section 4: Factors affecting Thai garment export industry which related to expected effected from AFTA agreement

Section 5: Analysis results of factors correlating to effects of free trade policy in ASEAN member states on Thai garment export industry using Multiple Regression Analysis

Section 1: Respondent's primary information

Analysis of respondent's primary information comprised education, monthly income, income effects and language used in business operation was conducted by using frequency and percentage. The results were illustrated as below:

Table 4.1 Frequency and percentages of respondent's factors follow by Education

Primary information	Amount	%
Below bachelor's degree	52	13.3
Bachelor's degree	318	81.5
Master's degree	20	5.3
Doctor's degree	-	-
Total	**390**	**100.0**

From Table 4.1 shows that Most of respondents have bachelor's degree education (318, 81.5%), the next was below bachelor's degree (52, 13.3%) and the least was master's degree (20, 5.3%).

Table 4.2 Frequency and percentages of respondent's factors follow by Monthly Income

Primary information	Amount	%
Below 100,000 Baht	89	22.8
100,000-500,000 Baht	296	75.9
500,000 – 5,000,000 Baht	5	1.3
Above 5,000,000 Baht	-	-
Total	**390**	**100.0**

Monthly income: Most of respondents have monthly income ranged in 100,000-500,000 baht (296, 75.9%), the next was below 100,000 baht (89, 22.8%), followed by 500,000-5,000,000 baht (5, 1.3%), respectively.

Table 4.3 Frequency and percentages of respondent's factors follow by Income effects

Primary information	Amount	%
Income is lowly decreased	75	19.2
Income is highly decreased	37	9.5
Income is unchanged	83	21.3
Income is increased	195	50.0
Total	**390**	**100.0**

Income effect: It was found that the most was income is increased (195, 50%), followed by income is unchanged (82, 21.3%), income is lowly decreased (75, 19.2) and the least was income is highly decreased (37, 9.5%), respectively.

Table 4.4 Frequency and percentages of respondent's factors follow by Language

Primary information	Amount	%
Thai	86	22.1
English	284	72.8
Chinese	20	5.1
Total	**390**	**100.0**

Language used in business operation: Most of respondents used English (284, 72.8%), the next was Thai (86, 22.1%) and the least was Chinese (20, 5.1%), respectively.

Section 2: Factors affecting Thai garment export industry which related to entrepreneur's primary factors

The analysis results of factors affecting Thai garment export industry which related to entrepreneur's primary factors were illustrated as below:

Table 4.5 Overall means and standard deviations of factors affecting Thai garment export industry which related to entrepreneur's primary factors

Factors	Mean	S.D.	Effect Level	Rank
1. Labor	3.83	.527	High	3
2. Production Cost	3.85	.478	High	2
3. Production Process	3.76	.471	High	4
4. Raw Materials	4.24	.481	High	1
Total Average	**3.92**	**.221**	**High**	

Table 4.5 indicated factors affecting Thai garment export industry which related to entrepreneur's primary factors, the overall was in high level (mean = 3.91). Each field could be prioritized in descending order as raw materials (mean = 4.22), production cost (mean = 3.86), labor (mean = 3.81) and production process (mean = 3.77), respectively.

Table 4.6 Means and standard deviations of factors affecting Thai garment export industry which related to entrepreneur's primary factors in the field of labor

Factors	Mean	S.D.	Effect Level	Rank
1. Affected in higher mount alien labors in garment industry	3.97	.683	High	2
2. Affected in garment industry has increased amount of Thai and alien labors	4.05	.656	High	1
3. Led to higher employment expansion in export businesses	3.74	.779	High	3
4. Caused high quality skill development	3.57	.845	High	4
Total Average	**3.83**	**.527**	**High**	

Table 4.6 indicated that factors affecting Thai garment export industry which related to entrepreneur's primary factors in the field of labor was in high level (mean = 3.83). Each detail could be prioritized as affected in garment industry has increased amount of Thai and alien labors (mean = 4.05), the secondary was affected in higher mount alien labors in garment industry (mean = 3.97), followed by led to higher employment expansion in export businesses (mean = 3.74), and caused high quality skill development (mean = 3.57), respectively.

Table 4.7 Means and standard deviations of factors affecting Thai garment export industry which related to entrepreneur's primary factors in the field of production cost

Factors	Mean	S.D.	Effect Level	Rank
1. Affected in reduction of production costs	3.81	.766	High	4
2. Production costs could be controlled in accordance with policies	3.93	.724	High	1
3. Affected in high-quality and low cost imported raw materials	3.84	.698	High	2
4. Entrepreneurs imported materials and devices provided by ASEAN states	3.82	.677	High	3
Total Average	**3.85**	**.478**	**High**	

Table 4.7 indicated factors affecting Thai garment export industry which related to entrepreneur's primary factors in the field of production cost was in high level (mean = 3.85). Each factor could be ranked in descending order as production costs could be controlled in accordance with policies (mean = 3.93), followed by affected in high-quality and low cost imported raw materials (mean = 3.84), entrepreneurs imported materials and devices provided by ASEAN states (mean = 3.82) and the last was affected in reduction of production costs (mean = 3.81), respectively.

Table 4.8 Means and standard deviations of factors affecting Thai garment export industry which related to entrepreneur's primary factors in the field of production process

Factors	Mean	S.D.	Effect Level	Rank
1. Garment industry has increased capability in competition with other members	3.80	.725	High	2
2. Trade liberalization caused increase of production quantity	3.62	.724	High	4
3. Domestic industrial production efficiency was increased	3.76	.792	High	3
4. Export industrial production efficiency was increased	3.87	.719	High	1
Total Average	**3.76**	**.740**	**High**	

Table 4.8 indicated factors affecting Thai garment export industry which related to entrepreneur's primary factors in the field of production process was in high level (mean = 3.76). Descending order prioritization could be made as from export industrial production efficiency was increased (mean = 3.87), followed by garment industry has increased capability in competition with other members (mean = 3.820), domestic industrial production efficiency was increased (means = 3.76) and ended with trade liberalization caused increase of production quantity (mean = 3.62), respectively.

Table 4.9 Means and standard deviations of factors affecting Thai garment export industry which related to entrepreneur's primary factors in the field of raw materials

Factors	Mean	S.D.	Effect Level	Rank
1. Free trade policies affected to entrepreneurs could select to import high-quality and low-cost production raw materials	4.07	.703	High	4

Table 4.9 Means and standard deviations of factors affecting Thai garment export industry which related to entrepreneur's primary factors in the field of raw materials (Cont.)

Factors	Mean	S.D.	Effect Level	Rank
2. Free trade policies affected to entrepreneurs could select to import high-quality and low-cost production raw materials such as threads, clothes, spare parts for decoration	4.14	.674	High	3
3. Free trade policies affected to entrepreneurs could select to import high-quality and low-cost production machineries	4.56	.608	Very High	1
4. Reduction of import duty led to low cost of raw materials and products imported from ASEAN states	4.17	.827	High	2
Total Average	**4.24**	**.481**	**High**	

Table 4.9 indicated factors affecting Thai garment export industry which related to entrepreneur's primary factors in the field of raw materials was in high level (mean = 4.24). Each factor could be ranked in descending order as free trade policies affected to entrepreneurs could select to import high-quality and low-cost production machineries (mean = 4.56), the secondary was reduction of import duty led to low cost of raw materials and products imported from ASEAN (mean = 4.17), free trade policies affected to entrepreneurs could select to import high-quality and low-cost production raw materials such as threads, clothes, spare parts for decoration (mean = 4.14) and free trade policies affected to entrepreneurs could select to import high-quality and low-cost production raw materials (mean = 4.07), respectively.

Section 3: Factors affecting Thai garment export industry which related to export

The analysis results of factors affecting Thai garment export industry which related to export were illustrated as below:

Table 4.10 Overall means and standard deviations of factors affecting Thai garment export industry which related to export

Factors	Mean	S.D.	Effect Level	Rank
1. Duty	4.33	.416	Very High	1
2. Shipment	4.03	.544	High	2
Total Average	**4.17**	**.433**	**High**	

Table 4.10 indicated that overall factors affecting Thai garment export industry which related to export was in high level (mean = 4.17). When pointed into each factor, it was found that the factor of duty (mean = 4.33) was more important than the factor of shipment (mean = 4.03).

Table 4.11 Means and standard deviations of factors affecting Thai garment export industry which related to export in the field of duty

Factors	Mean	S.D.	Effect Level	Rank
1. Duty tax influenced to fashion garment export	**4.44**	**.745**	**Very High**	**2**
2. Garment exporters benefited from duty reduction	**4.52**	**.603**	**Very High**	**1**
3. Duty reduction affected in high profit for industrial sector	**4.22**	**.867**	**High**	**3**
4. Duty reduction rate in each year range was fair for entrepreneurs	**4.13**	**.819**	**High**	**4**
Total Average	**4.33**	**.416**	**Very High**	

It was found from Table 4.11 that factors affecting Thai garment export industry which related to export in the field of duty was in very high level (mean = 4.33). Those factors could be prioritized in descending order as garment exporters benefited from duty reduction (mean = 4.52), the next was duty tax influenced to fashion garment export (mean = 4.44), duty reduction affected in high profit for industrial sector (mean = 4.22) and duty reduction rate in each year range was fair for entrepreneurs (mean = 4.13), respectively.

Table 4.12 Means and standard deviations of factors affecting Thai garment export industry which related to export in the field of shipment

Factors	Mean	S.D.	Effect Level	Rank
1. Trade liberalization affected in lower shipment cost	4.02	1.00	High	3
2. Careers could be variously selected	3.95	1.032	High	4
3. Raw materials and devices from ASEAN states could be conveniently imported	4.07	.952	High	2
4. Products could be distributed into member's internal market	4.09	.736	High	1
Total Average	**4.30**	**.544**	**High**	

It was found from Table 4.12 that factors affecting Thai garment export industry which related to export in the field of shipment was in very high level (mean = 4.03). Those factors could be prioritized in descending order as products could be distributed into member's internal market (mean = 4.09), the secondary was Raw materials and devices from ASEAN states could be conveniently imported (mean = 4.07), trade liberalization affected in lower shipment cost (mean = 3.99) and ended by careers could be variously selected (mean = 3.95), respectively.

Section 4: Factors affecting Thai garment export industry which related to expected effects from AFTA agreement

The analysis results of factors affecting Thai garment export industry which related to expected effects from AFTA agreement could be illustrated as follows:

Table 4.13 Overall means and standard deviations of factors affecting Thai garment export industry which related to expected effects from AFTA agreement

Factors	Mean	S.D.	Effect Level	Rank
1. Export quantity	4.25	.501	Very High	4
2. Export market expansion	4.31	.456	Very High	3
3. Trade competition	4.43	.609	Very High	1
4. Product quality	4.45	.569	Very High	2
Total Average	**4.36**	**.336**	**Very High**	

Table 4.13 indicated overall factors affecting Thai garment export industry which related to expected effects from AFTA agreement was in very high level (mean = 4.36). The first factor was trade competition (mean = 4.45), followed by product quality (mean = 4.43), export market expansion (mean = 4.31) and export quantity (mean = 4.25), respectively.

Table 4.14 Means and standard deviations of factors affecting Thai garment export industry which related to expected effects from AFTA agreement in the field of export quantity

Factors	Mean	S.D.	Effect Level	Rank
1. Trade liberalization led to higher amount of exporting to member states	4.20	.848	High	3
2. Trade liberalization affected in export quantity which met customer's demand	4.50	.531	Very High	1
3. Trade liberalization expanded export to USA, Japan and China	4.35	.756	Very High	2

Table 4.14 Means and standard deviations of factors affecting Thai garment export industry which related to expected effects from AFTA agreement in the field of export quantity (Cont.)

Factors	Mean	S.D.	Effect Level	Rank
4. Trade liberalization could allow export without tariff barrier and non-tariff barrier	3.95	1.032	High	4
Total Average	**4.25**	**.791**	**Very High**	

Table 4.14 indicated factors affecting Thai garment export industry which related to expected effects from AFTA agreement in the field of export quantity was in high level (mean = 4.25). For the details which sorted in descending order, it could be expressed from trade liberalization affected in export quantity which met customer's demand (mean = 4.50), the next was trade liberalization expanded export to USA, Japan and China (mean = 4.35), trade liberalization led to higher amount of exporting to member states (mean = 4.20) and ended by trade liberalization could allow export without tariff barrier and non-tariff barrier (mean = 3.95), respectively.

Table 4.15 Means and standard deviations of factors affecting Thai garment export industry which related to expected effects from AFTA agreement in the field of export market expansion

Factors	Mean	S.D.	Effect Level	Rank
1. Trade liberalization caused entrepreneurs could expand export market	4.42	.718	Very High	1
2. Trade liberalization caused higher export to the market of ASEAN member states	4.14	.950	High	4
3. Trade liberalization added key partners such as USA, Japan and China	4.42	.689	Very High	2
4. Trade liberalization caused the channels of product distribution to neighbor regions such as India, Bahrain and Peru	4.26	.681	Very High	3
Total Average	**4.31**	**.456**	**Very High**	

Table 4.15 indicated factors affecting Thai garment export industry which related to expected effects from AFTA agreement in the field of export market expansion was in high level (mean = 4.31). The result of sorting in descending order was begun from trade liberalization caused entrepreneurs could expand export market and trade liberalization added key partners such as USA, Japan and China (means are identical = 4.42), followed by trade liberalization caused the channels of product distribution to neighbor regions such as India, Bahrain and Peru (mean = 4.26) and trade liberalization caused higher export to the market of ASEAN member states (mean = 4.14), respectively.

Table 4.16 Means and standard deviations of factors affecting Thai garment export industry which related to expected effects from AFTA agreement in the field of trade competition

Factors	Mean	S.D.	Effect Level	Rank
1. Trade liberalization caused high severity of import/export competition	4.51	.644	Very High	2
2. Trade liberalization lowered product unit price for advantage compared to partners in ASEAN members	4.54	.623	Very High	1
3. Trade liberalization increased competitive capability of entrepreneurs	4.35	.740	Very High	3
4. Low quality production entrepreneurs have to increase potential and production improvement budget for competition	4.34	.819	Very High	4
Total Average	**4.43**	**.609**	**Very High**	

Table 4.16 indicated overall factors affecting Thai garment export industry which related to expected effects from AFTA agreement in the field of trade competition was in very high level (mean = 4.43). Those factors could prioritized in descending order from trade liberalization lowered product unit price for advantage compared to partners in ASEAN members (mean = 4.54) followed by trade liberalization caused high severity of import/export competition (mean = 4.51), trade liberalization increased

competitive capability of entrepreneurs (mean = 4.35) and ended with low quality production entrepreneurs have to increase potential and production improvement budget for competition (mean = 4.34), respectively.

Table 4.17 Means and standard deviations of factors affecting Thai garment export industry which related to expected effects from AFTA agreement in the field of product quality

Factors	Mean	S.D.	Effect Level	Rank
1. Low standard of garment production compared with other countries led to trade disadvantage	4.51	.590	Very High	1
2. Trade liberalization caused Thai entrepreneurs have a few modern production technologies	4.48	.660	Very High	2
3. Entrepreneurs must be continually developed product quality to be able to compete with trade mechanism	4.37	.714	Very High	3
Total Average	**4.45**	**.569**	**Very High**	

From Table 4.17, it was found that overall factors affecting Thai garment export industry which related to expected effects from AFTA agreement in the field of product quality was in very high level (mean = 4.45). Those factors could prioritized in descending order from low standard of garment production compared with other countries led to trade disadvantage (mean = 4.51), the next was trade liberalization caused Thai entrepreneurs have a few modern production technologies (mean = 4.48) and entrepreneurs must be continually developed product quality to be able to compete with trade mechanism (mean = 4.37), respectively.

Section 5: Analysis results of factors correlating to effects of free trade policy in ASEAN member states on Thai garment export industry using Multiple Regression Analysis

        Analysis of factors correlating to effects of free trade policy in ASEAN member states on Thai garment export industry using Multiple Regression Analysis was conducted by these symbols:

        Sig.   is   significance level

        R^2 is   coefficient representing prediction efficiency

        SEE   is   error of variable estimation

        B   is   regression coefficient of predictor in equation expressed in raw score

        Beta (β) is   regression coefficient in standard score

        t   is   mean used in hypothesis test of each equation

        Hypothesis test was conducted as follows:

        Hypothesis 1: Factors correlating effects of free trade policy in ASEAN member states in export quantity on Thai garment export industry

Table 4.18   Multiple regression coefficients, constants and standard errors

Variables	Export Quantity			t	Sig.
	B	S.E.	Beta		
Constant	-.139	.275		-.505	.614
Primary factors					
1. Labor	.212	.023	.224	9.165	.000*
2. Production cost	-.050	.027	-.048	-1.863	.063
3. Production process	-.028	.032	-.023	-.881	.379
4. Raw materials	-.113	.034	-.108	-3.301	.001*
Export					
1. Duty	.591	.043	.491	13.799	.000*
2. Shipment	.445	.030	.483	14.627	.000*

* Significant at a below 0.05 level

The results of hypothesis test using Multiple Regression Analysis in Table 4.18 indicated that factors correlating effects of free trade policy in ASEAN member states in export quantity have significantly affected to Thai garment export industry at 0.05 significance level such as primary factors of entrepreneurs in the field of labor (Sig. = 0.000), raw materials (Sig. = 0.001), duty of export (Sig. = 0.000) and shipment (Sig. = 0.000) while entrepreneur's primary factors in the field of production cost and production process have no effect from trade policy in ASEAN member states on Thai garment export industry.

When considered weight of independent variable standard score from effect of trade policy in ASEAN member states on Thai garment export industry, it was found that duty of export (β = 0.491), shipment (β = 0.483), entrepreneur's primary factors (β = 0.224) and raw materials (β = -0.108) have effect from trade policy in ASEAN member states on Thai garment export industry.

The value of coefficient R^2 (0.782) means influence from independent variable in entrepreneur's primary factors in the field of labor, raw materials, duty of export and shipment obtained effects of trade policy in ASEAN member states on Thai garment export industry by 78.2% and other 21.8% was influenced from entrepreneur's primary factors in the fields of production cost, but the field of production process has no effect derived from trade policy in ASEAN member states on Thai garment export industry.

Hypothesis 2: Factors correlating effects of free trade policy in ASEAN member states in export market expansion on Thai garment export industry

Table 4.19 Multiple regression coefficients, constants and standard errors

Variables	Export Market Expansion			t	Sig.
	B	S.E.	Beta		
Constants	1.584	.430		3.685	.000*
Primary factors					
1. Labor	-.068	.036	-.078	-1.872	.062
2. Production cost	.048	.042	.051	1.145	.253
3. Production process	-.025	.049	-.023	-.053	.615
4. Raw materials	.377	.053	.398	7.073	.000*

Table 4 19 Multiple regression coefficients, constants and standard errors (Cont.)

Variables	Export Market Expansion			t	Sig.
	B	S.E.	Beta		
Export					
1. Duty	.262	.067	.239	3.911	.000*
2. Shipment	.039	.048	.047	.823	.411

* Significant at a below 0.05 level

The results of hypothesis test using Multiple Regression Analysis in Table 4.19 that factors correlating effects of free trade policy in ASEAN member states in export market expansion have significantly affected to Thai garment export industry at 0.05 significance level such as primary factors of entrepreneurs in the field of raw materials (Sig. = 0.000) and duty of export (Sig. = 0.000) while entrepreneur's primary factors in the field of labor, production cost, production process and export in the field of shipment have no any effect from trade policy in ASEAN member states on Thai garment export industry.

When considered weight of independent variable standard score from effect of trade policy in ASEAN member states on Thai garment export industry, it was found that entrepreneur's primary factors in the field of raw materials (β = 0.398) and duty of export (β = 0.238) have effect from trade policy in ASEAN member states on Thai garment export industry.

The value of coefficient R^2 (0.357) means influence from independent variable in labor entrepreneur's primary factors in the field of raw materials and duty of export obtained effects of trade policy in ASEAN member states on Thai garment export industry by 35.7% and other 64.3% was influenced from entrepreneur's primary factors in the field of labor, but in the fields of production cost, production process, shipment of export have no effect derived from trade policy in ASEAN member states on Thai garment export industry.

Hypothesis 3: Factors correlating effects of free trade policy in ASEAN member states in trade competition on Thai garment export industry

Table 4.20 Multiple regression coefficients, constants and standard errors

Variables	Trade Competition			t	Sig.
	B	**S.E.**	**Beta**		
Constants	8.212	.595		13.811	.000*
Primary factors					
1. Labor	-.543	.050	-.470	-10.820	.000*
2. Production cost	.038	.058	.030	.654	.513
3. Production process	-.378	.068	-.257	-5.537	.000*
4. Raw materials	.134	.074	.106	1.823	.069
Export					
1. Duty	-.186	.093	-.127	-2.004	.046*
2. Shipment	-.047	.066	-.042	-.721	.472

* Significant at a below 0.05 level

The results of hypothesis test using Multiple Regression Analysis in Table 4.20 indicated that factors correlating effects of free trade policy in ASEAN member states in trade competition have significantly affected to Thai garment export industry at 0.05 significance level such as primary factors of entrepreneurs in the field of labor (Sig. = 0.000) and production process (Sig. = 0.000) and duty of export (Sig =.046) while entrepreneur's primary factors in the field of production cost, raw materials and export in the field of shipment have no any effect from trade policy in ASEAN member states on Thai garment export industry.

When considered weight of independent variable standard score from effect of trade policy in ASEAN member states on Thai garment export industry, it was found that entrepreneur's primary factors in the field of labor (β = -0.470), production process (β = -0.257) and duty of export (β = -0.127) have effects from trade policy in ASEAN member states on Thai garment export industry.

The value of coefficient R^2 (0.309) means influence from independent variable in labor entrepreneur's primary factors, in the field of production process have obtained effects of trade policy in ASEAN member states on Thai garment export industry by 30.9% and other 69.1% was influenced from entrepreneur primary factor variables in

the field of production cost, but in the fields of raw materials and shipment of export have no effect derived from trade policy in ASEAN member states on Thai garment export industry.

Hypothesis 4: Factors correlating effects of free trade policy in ASEAN member states in product quality on Thai garment export industry

Table 4.21 Multiple regression coefficients, constants and standard errors

Variables	Product Quality			t	Sig.
	B	S.E.	Beta		
Constants	2.180	.636			.001*
Primary factors					
1. Labor	-.019	.054	-.018	-.352	.725
2. Production cost	-.034	.063	-.029	-.543	.587
3. Production process	.231	.073	.168	3.157	.002*
4. Raw materials	.245	.079	.207	3.108	.002*
Export					
1. Duty	.045	.099	.033	.450	.653
2. Shipment	.093	.070	.089	1.317	.189

* Significant at a below 0.05 level

The results of hypothesis test using Multiple Regression Analysis in Table 21 indicated that factors correlating effects of free trade policy in ASEAN member states in product quality have significantly affected to Thai garment export industry at 0.05 significance level such as primary factors of entrepreneurs in the field of production process (Sig. = 0.002) and raw materials (Sig. = 0.002) while entrepreneur's primary factors in the field of labor, production cost and export in the field of duty and shipment have no any effect from trade policy in ASEAN member states on Thai garment export industry.

When considered weight of independent variable standard score from effect of trade policy in ASEAN member states on Thai garment export industry, it was found that entrepreneur's primary factors in the field of raw material ($\beta = 0.207$) and production

process (β = 0.168) have effects from trade policy in ASEAN member states on Thai garment export industry.

The value of coefficient R^2 (0.095) means influence from independent variable in entrepreneur's primary factors in the field of production process and raw materials have obtained effects of trade policy in ASEAN member states on Thai garment export industry by 9.5% and other 90.5% was influenced from entrepreneur's primary factor variable in the field of labor, but in the field of production cost, export in the fields of duty and shipment have no effect derived from trade policy in ASEAN member states on Thai garment export industry.

CHAPTER 5
SUMMARRY, CONCLUSION & RECOMMENDATION

The research of effects of free trade policy in ASEAN member states on Thai garment export industry has employed questionnaire as tool for data collection. The populations used in this research were 379 Thai garment export industry entrepreneurs, the collected data was analyzed using statistical computer program referred to the values of percentage, mean, standard deviation and the hypotheses were tested by Multiple Regression Analysis. Conclusion are illustrated in next sections.

5.1 Research conclusion

1. Respondent's primary information: It was found that most of respondents have Bachelor's degree education, monthly income ranged in 100,000 – 500,000 baht, the effect led to increase of their incomes and they used English in business operation.

2. Factors affecting Thai garment export industry which related to entrepreneur's primary factors: It was found that overall was in high level. Each aspect could be sorted in descending order from raw materials, followed by production cost, labor and production process. Consider the details as follows:

2.1 Overall factor related to raw materials was in high level. The most important factor was, free trade policies affected to entrepreneurs could select to import high-quality and low-cost production machineries, the secondary was, reduction of import duty led to low cost of raw materials and products imported from ASEAN members, free trade policies affected to entrepreneurs could select to import high-quality and low-cost production raw materials such as threads, clothes, spare parts for decoration, and, free trade policies affected to entrepreneurs could select to import high-quality and low-cost production raw materials.

2.2 Overall factor related to production cost was in high level. The most importance was, production costs could be controlled in accordance with policies, followed by affected in high-quality and low cost imported raw materials, entrepreneur imported materials and devices provided by ASEAN states, and the last was, affected in reduction of production costs.

2.3 Overall factor related to labor was in high level. The most important factor was, affected in garment industry has increased amount of Thai and alien labors, the secondary was, affected in higher mount alien labors in garment industry, followed by, led to higher employment expansion in export businesses, and, caused high quality skill development.

2.4 Overall factor related to production process was in high level. The most important factor was, export industrial production efficiency was increased, followed by, garment industry has increased capability in competition with other members, domestic industrial production efficiency was increased, and ended with, trade liberalization caused increase of production quantity.

3. Factors affecting Thai garment export industry which related to export: It was found that overall was in high level. The most important aspect was duty and followed by shipment. The details were shown below:

3.1 Aspect of duty: Overall was in very high level. The most important factor was, garment exporters benefited from duty reduction, the next was, duty tax influenced to fashion garment export, duty reduction affected in high profit for industrial sector, and, duty reduction rate in each year range was fair for entrepreneurs.

3.2 Aspect of shipment: Overall was in high level. The most important factor was, products could be distributed into member's internal market, the secondary was, raw materials and devices from ASEAN states could be conveniently imported, trade liberalization affected in lower shipment cost, and ended by, careers could be variously selected.

4. Factors affecting Thai garment export industry which related to expected effects from AFTA agreement: It was found that overall was in very high level. The most important aspect was trade competition, followed by product quality, export market expansion and export quantity. The details were shown below:

4.1 Overall factor related to trade competition was in very high level. The most important factor was, trade liberalization lowered product unit price for advantage compared to partners in ASEAN members, followed by, trade liberalization caused high severity of import/export competition, trade liberalization increased competitive capability of entrepreneurs, and ended with, low quality production entrepreneurs have to increase potential and production improvement budget for competition.

4.2 Overall factor related to product quality was in very high level. The most important factor was, low standard of garment production compared with other countries led to trade disadvantage, the next was, trade liberalization caused Thai entrepreneurs have a few modern production technologies, and entrepreneurs must be continually developed product quality to be able to compete with trade mechanism.

4.3 Overall factor related to export market expansion was in very high level. The most important factor was, trade liberalization caused entrepreneurs could expand export market and trade liberalization added key partners such as USA, Japan and China, followed by, trade liberalization caused the channels of product distribution to neighbor regions such as India, Bahrain and Peru, and, trade liberalization caused higher export to the market of ASEAN member states.

4.4 Overall factor related to export quantity was in very high level. The most important factor was, trade liberalization affected in export quantity which met customer's demand, the next was, trade liberalization expanded export to USA, Japan and China, trade liberalization led to higher amount of exporting to member states, and ended by, trade liberalization could allow export without tariff barrier and non-tariff barrier.

5.2 Results of hypotheses test

The analysis results of factors correlating to effects of free trade policy in ASEAN member states on Thai garment export industry could be summarized as follows:

Hypothesis 1: The results of hypothesis test using Multiple Regression Analysis indicated that factors correlating effects of free trade policy in ASEAN member states in export quantity have significantly affected to Thai garment export industry at 0.05 significance level such as primary factors of entrepreneurs in the field of labor (Sig. = 0.000, β = .224), raw materials (Sig. = 0.001, β = -.108), duty of export (Sig. = 0.000, β = .491) and shipment (Sig. = 0.000, β = .483). The prediction influence was 78.2% which related to effects of free trade policy in ASEAN member states in export quantity on Thai garment export industries. Another 21.8% was influenced from entrepreneur's primary factors in the fields of production cost, but the field of production process has

no effect derived from trade policy in ASEAN member states on Thai garment export industry.

Hypothesis 2: The results of hypothesis test using Multiple Regression Analysis indicated that factors correlating effects of free trade policy in ASEAN member states in export market expansion have significantly affected to Thai garment export industry at 0.05 significance level such as primary factors of entrepreneurs in the field of raw materials (Sig. = 0.000, β = .398) and duty of export (Sig. = 0.000, β = .238). The prediction influence was 35.7% which related to effects of free trade policy in ASEAN member states in export market expansion on Thai garment export industries. Another 64.3% was influenced from entrepreneur's primary factors in the field of labor, but in the fields of production cost, production process, shipment of export have no effect derived from trade policy in ASEAN member states on Thai garment export industry.

Hypothesis 3: The results of hypothesis test using Multiple Regression Analysis indicated that factors correlating effects of free trade policy in ASEAN member states in trade competition on Thai garment export industry have significantly affected to Thai garment export industry at 0.05 significance level such as primary factors of entrepreneurs in the field of labor (Sig. = 0.000, β = -.470) and production process (Sig. = 0.000, β = -.257) and duty of export (Sig =.046, β = -.127). The prediction influence was 30.9% which related to effects of free trade policy in ASEAN member states in trade competition on Thai garment export industries. Another 69.1% was influenced from entrepreneur primary factor variables in the field of production cost, but in the fields of raw materials and shipment of export have no effect derived from trade policy in ASEAN member states on Thai garment export industry.

Hypothesis 4: The results of hypothesis test using Multiple Regression Analysis indicated that factors correlating effects of free trade policy in ASEAN member states in product quality have significantly affected to Thai garment export industry at 0.05 significance level such as primary factors of entrepreneurs in the field of production process (Sig. = 0.002, β = .207) and raw materials (Sig. = 0.002, β = .168). The prediction influence was 9.5% which related to effects of free trade policy in ASEAN member states in product quality on Thai garment export industries. Another 90.5% was influenced from entrepreneur's primary factor variable in the field of labor, but in the field of

production cost, export in the fields of duty and shipment have no effect derived from trade policy in ASEAN member states on Thai garment export industry.

5.3 Discussion

The key issues of study in effects of free trade policy in ASEAN member states on Thai garment export industry could be discussed as follows:

1. Factors affecting Thai garment export industry which related to entrepreneur's primary factors

1.1 In the aspect of raw material, the overall was in high level. The most important factor was, free trade policies affected to entrepreneurs could select to import high-quality and low-cost production machineries, the secondary was, reduction of import duty led to low cost of raw materials and products imported from ASEAN members, free trade policies affected to entrepreneurs could select to import high-quality and low-cost production raw materials such as threads, clothes, spare parts for decoration, and free trade policies affected to entrepreneurs could select to import high-quality and low-cost production raw materials from foreign. These were consistent to the research of Srimas Prateepawanitch (2013) who studied in "Preparation of Thai Fashion Business for the Participation in ASEAN Economics Community". This research purposed to study in how to cope with changes arising ASEAN and study in pursuit of Thai fashion garment export business strategies for preparation in AEC market.

The information of her research indicated that there were around 80% of small and medium sized entrepreneurs and 99.8% of them were running business of textiles and clothes. When considered in completion of textiles and clothes industry in AEC, it was found that Thailand could be the leader in this kind of industry due to textiles products have large market and well expansion. Thailand has completed textile industry and acts as manufacturer for Cambodia, Laos and Vietnam, provided with high quality testing laboratory, modern product quality and standardized. From her research, the researcher deemed that free trade policy caused opportunities for Thai manufacturer in importing low-cost and high-quality raw materials from aboard and there was a better option.

1.2 For production cost, the overall factor was in high level. The most importance was, production costs could be controlled in accordance with policies,

followed by affected in high-quality and low cost imported raw materials, entrepreneur imported materials and devices provided by ASEAN states, and the last was, affected in reduction of production costs. These were consistent to the research of Kamolmart Makechai (2013) who conducted the research in export of Thai textiles and clothes. It was found that Thailand has advantage since 2010-2012 in such as handkerchiefs (HS6213) included with patterns. Compared with competitors such as Singapore, Malaysia and Indonesia, Thailand still has an advantage over in shirt, men and child clothes. Singapore has advantage in clothes knitted by crochet or knitting, brocades, tablecloths or hand towels due to its population expansion. Malaysia has an advantage since 2010-2012 in the products of garment and other used products as well as woven clothes and threads. Indonesia has an advantage in overcoats and jackets and when compared with Thailand, Singapore, Malaysia, this country has an advantage in underpants, nightgown, bathing gowns, and child clothes. Moreover, trade liberalization increased the opportunities of high-quality and low-cost raw material import from aboard. Thai entrepreneurs could reduce the production cost and export opportunity was also increased.

      1.3 In the aspect of labor, the overall was in high level. The most important factor was, affected in garment industry has increased amount of Thai and alien labors, the secondary was, affected in higher mount alien labors in garment industry, followed by, led to higher employment expansion in export businesses, and, caused high quality skill development. These were consistent to the research of Inya Luanchawee (2010) who conducted the research in effects of ASEAN skilled labor free flow on Thailand. That research indicated that there were distinct advantages derived from free flow of skilled labor for labor market. Labor market could have higher flexibility particularly in world-wide economy was tending to be merged and labors in each country would have choice in preferred place or country which they could maximally show their capabilities and also caused maximal income. The countries would be widely economically expanded. Disadvantages derived from free flow of skilled labor were some industrial types obtained effects of labor flowing from other countries which caused competition in another country and employers have option in employing labors from a country which provide lowest cost.

Overall factor related to production process was in high level. The most important factor was, export industrial production efficiency was increased, followed by, garment industry has increased capability in competition with other members, domestic industrial production efficiency was increased, and ended with, trade liberalization caused increase of production quantity. These were consistent to Kriangkrai Detchkanond and Patta Kerdruang's (2007) research which studied in effects of trade liberalization on supply chain adjustment in textile and clothes industrial in Thailand. The results indicated that trade liberalization affected in textile and clothes industry in several developing countries. The countries having advantage in cost and production capability could expand market shares without quantity restriction but the countries having no advantage would lose market shares when there is not suitable preparation for situation changes. Therefore, it could be seen that supply chain relation in Thailand has to highly adjust by flow of changes after the abortion of quota system, it would affect to each production step since raw materials and fibers in primary step, weaving-cleaning and dyeing-finishing in middle step and tailoring until delivery to customers and consumers in final step, particularly in effects on product cutting which retailers whom requires products have to reply consumer's demand. However, this research indicated that under high severity of this challenge, the things what entrepreneurs have to rapidly adjust is development of production efficiency, planning and efficient management.

2. Factors affecting Thai garment export industry which related to export

2.1 Aspect of duty: Overall was in very high level. The most important factor was, garment exporters benefited from duty reduction, the next was, duty tax influenced to fashion garment export, duty reduction affected in high profit for industrial sector, and, duty reduction rate in each year range was fair for entrepreneurs. These were consistent to the research of Archanan Koapibul (2007) who studied in performance of AFTA and implication of trade policy in Thailand. The study results indicated that there was limitation of benefiting under AFTA due to international trade between Thailand and ASEAN has been increasing its importance and expansion, as well as obtained opportunities from import duty reduction arise from free trade policy, the import duty was in low level then the duty reduction privilege use was not too high.

The role of AFTA is still restricted in the future. Moreover, the results indicated that AFTA establishment has mainly purposed to maintain investment interest of country rather than promoting ASEAN international trade. Therefore, for the trend between countries, it was found that ASEAN has increased importance as industrial trade partner country. Moreover, the structure of Thailand's trade partners in ASEAN has more distribution. In the past, the key trade partner is Singapore but currently decreased its importance and Thai turned to do more business with Malaysia and Philippines which are ASEAN's members whom received benefits from trade liberalization. Moreover, in the case of AFTA agreement between developed countries which are larger market, the import duty of those countries was in low level and caused the limited privilege. AFTA benefits stimulated export quantity and avoid overall disadvantage.

2.2 Aspect of shipment: Overall was in high level. The most important factor was, products could be distributed into member's internal market, the secondary was, raw materials and devices from ASEAN states could be conveniently imported, trade liberalization affected in lower shipment cost, and ended by, careers could be variously selected. These were consistent to the research of Walailuk Uttheerawong, who conducted the research in "Redesigning Supply Chain for Thai Apparel Sector in Preparation for AEC Participation". The obtained primary information could be concluded that effects from AEC which were key factors were the aspects of labor, logistic and raw materials. Analysis results indicated that entrepreneurs have given precedence to these top 5 factors: 1) labors are low-cost; 2) amount of labors is sufficient to demand; 3) labors are high skillful; 4) flexibility of labor cost; 5) labors have good attitude in work. The raw material top 5 factors which entrepreneurs have given precedence were: 1) high-quality of raw materials; 2) high-quality of raw material traders; 3) raw materials are low cost; 4) raw material quantity is sufficient to demand. The logistical top 5 factors were: 1) short time delivery; 2) low-cost shipment; 3) number of logistical providers is sufficient to demand and the providers are efficient; 4) no complication of import/ export documents; 5) variety of shipment. However, entrepreneurs must be available for AEC situations for the most suitability in current situations.

3. Factors affecting Thai garment export industry which related to expected effects from AFTA agreement

3.1 Overall factor related to trade competition was in very high level. The most important factor was, trade liberalization lowered product unit price for advantage compared to partners in ASEAN members, followed by, trade liberalization caused high severity of import/export competition, trade liberalization increased competitive capability of entrepreneurs, and ended with, low quality production entrepreneurs have to increase potential and production improvement budget for competition. These were consistent with Kriangkrai (2007) research which studied in effects of trade liberalization on supply chain adjustment in textile and clothes industrial in Thailand. The results indicated that trade liberalization affected in textile and clothes industry in several developing countries. The countries having advantage in cost and production capability could expand market shares without quantity restriction but the countries having no advantage would lose market shares when there is not suitable preparation for situation changes. Therefore, it could be seen that supply chain relation in Thailand has to highly adjust by flow of changes after the abortion of quota system, it would affect to each production step since raw materials and fibers in primary step, weaving-cleaning and dyeing-finishing in middle step and tailoring until delivery to customers and consumers in final step, particularly in effects on product cutting which retailers whom requires products have to reply consumer's demand. However, this research indicated that under high severity of this challenge, the things what entrepreneurs have to rapidly adjust is development of production efficiency, planning and efficient management. Importantly, they should continuously develop personnel and follow up the new production technologies which could be employed to gain efficiency and reduce cost.

These concepts were also consistent with Sansanee Limpong's research (2006) which studied in MFA and international textile trade registration. The study indicated that after 2015, textiles and clothes are the most important product of the world after encountered trade barrier from quota limitation system for a long time. After quota system was canceled, they must encounter lower world market price due to higher number of competitors. It could be seen that countries exporting clothes must prepare to cope with high severity of challenges, particularly in the export of clothes product to the country which production cost and labor wage are very low such as China. There must

be cooperation between government and private sectors in developing production technologies to reduce production cost, develop higher product quality, increase of production efficiency, increase of product variety which differed from other exporters because if the products are identical, the disadvantage would arise from higher cost compared with other countries who could produce higher quality products and for the objective in expansion of export to support trade liberalization.

        3.2 Overall factor related to product quality was in very high level. The most important factor was, low standard of garment production compared with other countries led to trade disadvantage, the next was, trade liberalization caused Thai entrepreneurs have a few modern production technologies, and entrepreneurs must be continually developed product quality to be able to compete with trade mechanism. These were consistent to the research of Seemat (2013) who studied in "Preparation of Thai Fashion Business for the Participation in ASEAN Economics Community". It was found that Thailand could be the leader in this kind of industry due to textiles products have large market and well expansion. Thailand has completed textile industry and acts as manufacturer for Cambodia, Laos and Vietnam, provided with high quality testing laboratory, modern product quality and standardized, the labors are skillful then the neighbor countries preferred to purchase products from Thailand rather than China. Even though Thailand has great number of entrepreneurs, but the export ability was lower than expected due to the lack of knowledge in such as languages and legal. In managing fashion business to be progressed to ASEAN, the entrepreneurs must be prepared and capable of appropriate resources for running business (4Ms – Man, Money, Method and Materials). In this research, the researcher has analyzed both internal and external situations using SWOT Analysis. It was found that the strengths were Thai entrepreneurs has design capability and Thai labors were skillful, weaknesses were Thai textile and clothes industries have to import raw materials from aboard because domestic raw materials are lower quality compared with competitors and dated technologies which caused the disadvantage in the aspect of product quality.

        3.3 Overall factor related to export market expansion was in very high level. The most important factor was, trade liberalization caused entrepreneurs could expand export market and trade liberalization added key partners such as USA, Japan and China, followed by, trade liberalization caused the channels of product distribution

to neighbor regions such as India, Bahrain and Peru, and, trade liberalization caused higher export to the market of ASEAN member states. These were consistent to the research of Saipin Chintrakulchai (2009) who studied in effects of quota and clothes cancelation under the agreement of international textile trade which was analyzed by computable general equilibrium. The research purposed to analyze in the effects derived from clothes and textile import quota cancelation under the agreement of international textile trade on the increase of Thai clothes and textile export and export expansion.

3.4 Overall factor related to export quantity was in very high level. The most important factor was, trade liberalization affected in export quantity which met customer's demand, the next was, trade liberalization expanded export to USA, Japan and China, trade liberalization led to higher amount of exporting to member states, and ended by, trade liberalization could allow export without tariff barrier and non-tariff barrier. These were consistent to the research of Prachamon Lakornwong (2007) who studied in analysis of advantage by comparing Thailand's finished garment export. The study results indicated that textile industries could be divided into 5 sub-industries such as fiber industry, throwing industry, weaving industry, cleaning-dyeing-finishing industry and clothes industry. The study also indicated expansion of export in 2005 which was 52,151.9 tons (3.57% expanded). The key export markets of Thailand were USA and Japan and finished garment import of Japan has been continually increasing and the most proportion was from China with the value of 9,134.024 million USD or 80.091% of entire finished garment import value. Moreover, the study indicated that only finished garment export from Thailand to USA which yielded advantage. Thailand's finished garment industry must increase production efficiency as standard required by customers. Trade liberalization was also charitable to capital management which means to achieve in production cost reduction, expand to new markets of fashion garment export. Thailand finally obtained good opportunity in export market expansion from trade liberalization.

5.4 Objective results

1. To analyses the relation between entrepreneur basic factor, exporting factor and expected results derived from FTA agreement

Export quantity The results are showing by using Multiple Regression Analysis indicated that factors correlating effects of free trade policy in ASEAN member states in export quantity have significantly affected to Thai garment export industry at 0.05 significance level such as primary factors of entrepreneurs in the field of labor, raw materials, duty of export and shipment. The prediction influence was 78.2% which related to effects of free trade policy in ASEAN member states in export quantity on Thai garment export industries.

Export market expansion The results are showing by using Multiple Regression Analysis indicated that factors correlating effects of free trade policy in ASEAN member states in export market expansion have significantly affected to Thai garment export industry at 0.05 significance level such as primary factors of entrepreneurs in the field of raw materials and duty of export The prediction influence was 35.7% which related to effects of free trade policy in ASEAN member states in export market expansion on Thai garment export industries.

Trade competition The results of hypothesis test using Multiple Regression Analysis indicated that factors correlating effects of free trade policy in ASEAN member states in trade competition on Thai garment export industry have significantly affected to Thai garment export industry at 0.05 significance level such as primary factors of entrepreneurs in the field of labor and production process and duty of export. The prediction influence was 30.9% which related to effects of free trade policy in ASEAN member states in trade competition on Thai garment export industries.

Product quality The results of hypothesis test using Multiple Regression Analysis indicated that factors correlating effects of free trade policy in ASEAN member states in product quality have significantly affected to Thai garment export industry at 0.05 significance level such as primary factors of entrepreneurs in the field of production process and raw materials. The prediction influence was 9.5% which related to effects of free trade policy in ASEAN member states in product quality on Thai garment export industries.

2. To Study in export situations of fashion garment which arise from free trade policy change in ASEAN member states.

The results indicated that most of respondents have Bachelor's degree education, monthly income ranged in 100,000 – 500,000 baht, the effect led to increase of their incomes and they used English in business operation. For the entrepreneur's primary factors, it was found that overall was in high level. The most important factor was free trade policies affected to entrepreneurs could select to import high-quality and low-cost production machineries, the secondary was, in the field of production cost, production costs could be controlled in accordance with policies.

In the field of labor, the most important was free trade policy affected in garment industry has increased amount of Thai and alien labors and in the field of production process, the most important factor was increase in export industrial production efficiency. Meanwhile, for export, it was found that overall was in high level. In the field of duty, the most important factor was garment exporters benefited from duty reduction. The secondary was in the field of shipment, the most important factor was products could be distributed into member's internal market.

For the expected effects derived from AFTA agreement, it was found that overall was in very high level. The most important was found in the field of trade competition that trade liberalization lowered product unit price for advantage compared to partners in ASEAN members. The secondary was in the field of product quality that the most important was low standard of garment production compared with other countries led to trade disadvantages. For export market expansion, the most important was trade liberalization caused entrepreneurs could expand export market and trade liberalization added key partners such as USA, Japan and China. For export quantity, the most important factor was trade liberalization affected in export quantity which met customer's demand.

3. To Study in advantages and disadvantages happen to fashion garment export entrepreneurs as the policy of establishing free trade area in ASEAN member states.

3.1 Advantages

3.1.1 Labor: Affected in garment industry has increased amount of Thai and alien labors

3.1.2 production process: Export industrial production efficiency was increased

3.1.3 raw materials: Free trade policies affected to entrepreneurs could select to import high-quality and low-cost production machineries

3.1.4 Duty : Garment exporters benefited from duty reduction

3.1.5 Shipment: Products could be distributed into member's internal market

3.1.6 Export quantity: Trade liberalization affected in export quantity which met customer's demand

3.1.7 Export market expansion: Trade liberalization caused entrepreneurs could expand export market

3.2 Disadvantages

3.2.1 Production cost: Production costs could be controlled in accordance with policies

3.2.2 Trade competition: increase the number of competition and Thai entrepreneurs should do the lowered product unit price for advantage compared to partners in ASEAN members

5.5 Recommendations

The researcher's ideas that could be used as recommendations about effects of free trade policy in ASEAN member states on Thai garment export industry were discussed as follows:

1. Factors affecting Thai garment export industry which related to entrepreneur's primary factors

1.1 For the raw materials, the persons related to free trade policy in ASEAN member states affecting to Thai garment export industry should allow entrepreneurs to import high-quality and low-cost production machineries, reduce import duty which leads to low cost of raw materials and products imported from ASEAN members, free trade policies should allow entrepreneurs to import high-quality and low-cost production raw materials such as threads, clothes, spare parts for decoration, and free trade policies should allow entrepreneurs to import high-quality and low-cost production raw materials.

1.2   For the production cost, the persons and entrepreneurs related to free trade policy in ASEAN member states affecting to Thai garment export industry should control the production costs to be in accordance with policies of their business, the persons related to free trade policy in ASEAN member states should allow entrepreneurs to import high-quality and low cost raw materials from aboard, the related persons should allow entrepreneurs to import production materials and devices provided by ASEAN states and should allow entrepreneurs to reduce production cost of Thai garment export industry.

1.3   For the labor, the persons and entrepreneurs related to free trade policy in ASEAN member states affecting to Thai garment export industry should allow industries to gain their Thai and alien labors to permit occupation for people in social, the persons and entrepreneurs should allow greater number of alien labor to work in garment industries for an expansion of employment in business which is increasing the export and to develop for higher skill quality.

1.4   For the production process, the persons and entrepreneurs should increase the production efficiency of industries which export the products to other countries and should support garment industries to increase their competitive capability compares with other members, should promote the increase of domestic industrial production efficiency and free trade policy should define in the continuous increase of efficient production amount.

2.   Factors affecting Thai garment export industry which related to export

2.1   For the duty, the persons related to Thai garment export should promote the entrepreneurs to benefit from reduction of import/export duty, removal of import/ export duty leads to the increase of fashion garment export quantity and the duty of garment export industry should be reduced to control production cost in accordance with business policies and for higher profits.

2.2   For the shipment, the persons related to Thai garment export should promote in distributing products into internal markets of member countries and should support in facilitation of importing production raw materials and devices from ASEAN countries. Trade liberalization should allow entrepreneurs to control shipment costs and should support selection of careers which could distribute products to member countries by various channels.

3. Factors affecting Thai garment export industry which related to expected effects from AFTA agreement

3.1   For the trade competition, the persons related to free trade policy in ASEAN member states affecting to Thai garment export industry should define the lower cost for raw materials used in Thai garment production for the advantage compares with other partners which are ASEAN member states, include with to create competitive advantage in both product import and export due to it is increase of competitive capability of entrepreneurs and they should have standard in production to create competitive advantage compares with aboard which causes in arise of cost for production potential and standard improvement continually.

3.2   For the product quality, the persons related to free trade policy in ASEAN member states affecting to Thai garment export industry should clearly define the regulations for low quality garment manufacturers which caused trade disadvantage. Trade liberalization should allow Thai entrepreneurs to seek for modern production technologies and entrepreneurs should continually improve their products to be able to challenge the trade mechanism of other members.

3.3   For the export market expansion, the persons related to free trade policy in ASEAN member states affecting to Thai garment export industry should allow entrepreneurs to expand export market by themselves due to trade liberalization would add key partners such as USA, Japan and China, and the channels should be increased to distribute products to neighbor regions such as India, Bahrain and Peru and export to ASEAN states market should be also promoted.

3.4   For the export quantity, the persons related to free trade policy in ASEAN member states affecting to Thai garment export industry should define the regulation which enforces exporter to provide products quantity which meets customer's demands to create competitive advantage. The entrepreneurs should define export quantity which is sufficient to distribute to USA, Japan and China. For trade liberalization, entrepreneurs should increase export quantity for higher amount distributing to member states and Thai garment export to member countries should avoid tariff barrier.

5.6 Recommendations for further research

1. The study should be focused on Thai export garment industry expectation in free trade policy in ASEAN member states of entrepreneurs in Bangkok and perimeters.

2. The study should be focused on factors of free trade policy in ASEAN member states which influence Thai garment export of entrepreneurs in Bangkok and perimeters.

3. Focus on attitudes of Thai garment export industries in free trade policy in ASEAN member states of entrepreneurs in Bangkok and perimeters.

REFERENCES

Achanan. (2007). *Performance of AFTA and Implication of Trade Policy in Thailand*.
Bangkok : Thammasat University .

Anon. (2012). *ASEAN Communit* . Retrieved July 8, 2015 from http://www.mfa.
go.th/asean/contents/files/asean-media-center-20130104-171510-396945.pdf.

Apinya. (2007). *the impact of free movement of labor on Thailand*. Bangkok:
Dhurakij Pundit University.

ASEAN Secretariat. (2009). *Roadmap for an ASEAN Community 2009-2015*.
Retrieved July 8, 2015 from: http://www.mfa.go.th/asean/contents/files/asean-media-center-20121203-181623-748199.pdf.

Association of Souteast Asian Nation. (2008). *ASEAN ECONOMIC COMMUNITY BLUEPRINT*. Retrieved July 8, 2015 from: http://www.asean.org/archive/5187-10.pdf.

Bryman, A., & Crame, D. (2002). *Quantitative Data Analysis with SPSS Release 10 for Windows*. London: Taylor&Francis Group.

Cheong, D. (2008). *The Effect on Export and Import of Thailand under AFTA*. SAI Bolongna Center: Jonhs Hopkins University.

Chinthayarungson, R. (2013). *The Analysis of ASEAN Free Trade Area Affecting Import and Export*. Bangkok: Nida University.

Choksuchad, T. (2012). *ASEAN Capability and Adatation of Thai Enterprenuer*.
Retrieved June 18, 2015 from: http://www.bu.ac.th/knowledgecenter/executive_journal/july_sep_12/pdf/aw04.pdf.

Department of ASEAN Affairs. (2013). *When the ASEAN Integrated Do the Labors Flow Free?*. Retrieved July 16, 2015 from: http://www.mfa.go.th/asean/contents/files/other-20130228-155902-343528.pdf.

Department of Foreign Trade. (2014). *How to Use Rules of Origin and Tariff Rate Data Base Under the ASEAN's and Other Strate'FTAs Agreement*. Bangkok: Ministry of Commerce.

Department of International Trad Promotion. (2009). *Preferential Trading in ASEAN Free trade Area*. Retrieved July 8, 2015 from http://www.dft.moc.go.th.

REFERENCES (Cont.)

Driscoll, D. L. (2013). *Introduction to Primary Research:Observations, Surveys, and nterviews.* Retrieved July 8, 2015 from :http://www.parlorpress.com/pdf/ driscoll--introduction-to-primary-research.pdf.

Depertment of International Promotion. (2012). *the statistic of garment exports to ASEAN.* Bangkok: Bangkok: Ministry of Commerce.

Department of Trade. (2012). *ASEAN Agreement on Thai Garment Indrustry.* Bangkok: Department of International trade, Ministry of Commerce.

Department of Trade Negotiations. (2014). *Thai Export Value.* Bangkok: Bangkok Ministry od Commerce.

Export-Import Bank of Thailand. (2010). *How ASEAN gives Opputunities and Effect on Thailand.* Bangkok: Export-Import Bank of Thailand.

Gadcharen, N. (2009). *Introduction,Objective,and Details of Free Trade Policy.* Bangkok: University of Technology Thonburi.

Hox, J., & Boege, H. (2015). *Data Collection Primary VS Secoundary.* Retrieved July 8, 2015 From: http://joophox.net/publist/ESM_DCOL05.pdf.

Import-Export Bank of Thailand. (2010). *Opportunities and Impact of AEC on Thai Industries.* Bankkok: Import-Export Bank of Thailand.

Juntara, T. (2015). *Thai garment in the future.* Bangkok: The office of Indrustrial Economics.

Juntara, T. (2015). *Thai garment in the future.* Bangkok: The office of Indrustrial Economics.

Kamonmat. (2013). *AEC and Textile and Clothing Export in Thailand*. Chiang Mai: Chiang Mai University.

Kriangkrai. (2007). *An Impact of Free Trade Area on the Adjustment in Supply Chain of Thailand Textile and Clothing Industry*. Bangkok: Thammasat University.

Kunlong, S. (2012). *Relibility Test of Cronbach's alpha Survey.* Retrieved July 8, 2015 Form: http://www.ipernity.com/blog/248956/424773.

Labour Market Research Division. (2012). *Condition about Free Flow of Labor in ASEAN.* Bangkok: Department of Employment.

REFERENCES (Cont.)

Lanchawee, A. (2009). *The Free Flow of Labors Effect.* Bangkok: Department of Trade Negotiation.

Liampasert, C. (2014). *Free Trade Area and Adaotation for AEC.* Bangkok: Department of Trade Negotiation.

Likert, R. (1961). *New Patterns of Management.* New York: McGraw-Hill Book Company Inc.

Luanchawee, A. (2010). *The Effect from Free Flow of Labors in ASEAN Member States.* Bangkok: Dhurakit Pundit University.

Lupo, P. (2011). *The International Regulatory Regime on Capital Flows.* Tokyo: Asian Development Bank Institute.

Manoon, B. (2010). *The effect of ASEAN free trade area on Thai labors.* Retrieved July 8, 2015 From http://www.thaifta.com/trade/jtepa/2007-09%20JTEPA %20Study.pdf.

Matupanee, T. (2012). *Thailand and ASEAN Community Risk and Opportunities.* Retrieved July 8, 2015 from: http://research.krirk.ac.th/images/journals/ 2013_01/20/usrfile_811208_130138.pdf.

Mikic, M. (2008). *Services Trade Liberalization and Labour Migration Policies in.* Retrieved July 8, 2015 From :http://www.adbi.org/files/2008.09.23.cpp. mikic.services.skilled.labor.asean.presentation.pdf.

Ministry of Commerce. (2010). *Thai export to ASEAN members.* Bangkok: Ministry of Commerce.

Ministry of Commerce. (2012). *Advantage and Disadvatage on Product with AFTA.* Bangkok: Ministry of Commerce.

Ministry of Foreirg Affairs of The Kingdom of Thai. (2013). *The Detail of AEAN FRee Trade Agreement Policy.* Bangkok: Ministry of Commerce.

Napadonkit, P. (2013). *The Competitiveness of Thai Exporting Textiles and Garment to EU.* Chana: Shanghai University.

REFERENCES (Cont.)

Ngoc, N. (2015). *AFTA Tax Thai Automobie cos foray in to vitnam.* Retrieved June
20, 2015 from :http://www.dealstreetasia.com/stories/afta-tax-advantage-thai-
automobile-cos-foray-into-vietnam-5303/.

Paoaree, S. (2011). *ASEAN way and ASEAN set-up.* Retrieved July 8, 2015 from:
http://research.krirk.ac.th/images/journals/2012_04/17/Binder2.pdf.

Pongkapad, T., Manuspaibon, J., Tanaviriya, S., & Kaipornsuk, P. (2010). *The Free
Trade Area Effecting on Thai Labors.* Bangkok: Department of Labour
Protection and Welfare, Ministry of Commearce.

Pornpimon. (2007*). Important Factors that Have an Impact on Exporting Thai
Products to ASEAN Countries*. Bangkok: Ramkhamheang University.

Pratchamon. (2007). *Advantage Analysis by Comparing Thai Ready-Made Clothing*.
Bangkok: Ramkhamheang University.

Roadmap for an ASEAN Community 2009-2015. (2013). *When the ASEAN
Intragrated Do Labors Flow Free?* Retrieved July 15, 2015 from:
http://www.mfa.go.th/asean/contents/files/other-20130228-155902-
343528.pdf.

Saipin. (2009). *The Impacts of Clothing Quota Elimination under Multi-Fibre
Agreement Analyzed by Computable General Equilibrium Model*. Bangkok:
The Thailand Research Found.

Sansanee. (2006). *MFA and the Organization of International Textile Trading*.
Bangkok: Thammasat University.

Satiantai, S. (2011). *Ploblems, Barrier and Opputunities with ASEAN free trade Area*.
Retrieved June 5, 2015 from: http://www.youtube.com/watch?v=pEJDT
doEAas&feature=related.

Seemat. (2013). *Preparation of Thai Fashion Business for the Participation in
ASEAN Economics Community*. Bangkok: Bangkok University.

Silichai, Kanjanavasi, Tweewut, piyanon, & dirak. (2010). *The Statistic to use for thesis.*

Bangkok : Chulalongkorn University

REFERENCES (Cont.)

Subsi, C. (2008). *The effect of ASEAN Free Trade Agreement Policy* . Retrieved July 13, 2015 From http://www.thaifta.com/trade/study/cfta08.pdf.

Suksatid, K. (2012). *Social and Tradition of 10 ASEAN member States.* Bangkok: (n.d.).

Sutiyito, G., & Mendoza , R. D. (2015). *A 'Freer' Flow of Skilled Labour within ASEAN: Aspirations, Opportunities, and Challenges in 2015 and Beyond.* Internet: Retrieved July 12, 2015 From : http://www.migrationpolicy. org/research/freer-flow-skilled-labour-within-asean-aspirations-opportunities-and-challenges-2015.

The Customs Department. (2010). *Statistics of Import - Export and Balance of Trade between Thailand and ASEAN.* Bangkok: Information Technology & Communication Centre, Office of Permanent Secretary Ministry of Commerce Integrated by Thai Customs Department.

The Customs Department. (2011). *The Effect from Free Trade Area and Appropriate Negotiation for Thailand.* Bangkok: The Customs Department.

Tiranuch, W. (2009). *Free Flow of Labors and Unsolved Problem.* Bangkok: International Institute for Trade and Development.

University, C. (2015). *The foundation of ASEAN Economic Community Combridge University.* Retrieved July 8, 2015 from: https://books.google.co.th/books?id= euNwBwAAQBAJ&pg=PA60&lpg=PA60&dq=ATIGA+is&source=bl&ots= N6tIS2euAw&sig=h8mM2VyVkKLipO5NRH7C7Rn23As&hl=th&sa=X&ei =xzpoVfWkJM7juQSh9YKoCA&ved=0CF4Q6AEwCA#v=onepage&q=ATI GA%20is&f=false.

Walailuk. (2013). *Redesigning Supply Chain for Thai Apparel Sector in Preparation for AEC Participation*. Bangkok: King Mongkut's Institute of Techology Ladkrabang.

Wingnaraja, G., OIfindo, R., Puphavesa, W., Panpiemrans, J., & Ongkittikul, S. (2010). *How Do FTAs Affect Exporting Firms in Thailand?* Tokyo: Asian Development Bank Institute.
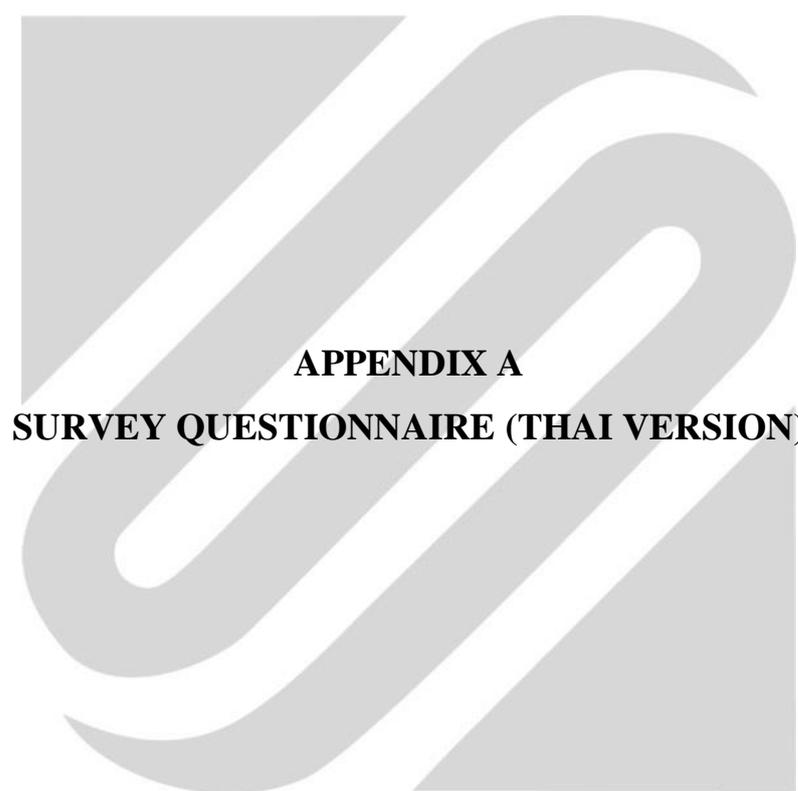
APPENDIX A

SURVEY QUESTIONNAIRE (THAI VERSION)

แบบสอบถามงานวิจัย

เรื่อง   **ผลกระทบของนโยบายการค้าเสรีในกลุ่มประเทศอาเซียน**
          ที่มีผลต่ออุตสาหกรรมการส่งออกเสื้อผ้าไทย

คำชี้แจง

             แบบสอบถามฉบับนี้เป็นเครื่องมือเพื่อการวิจัยเรื่อง ผลกระทบของนโยบายการค้าเสรีในกลุ่มประเทศ
อาเซียนที่มีผลต่ออุตสาหกรรมการส่งออกเสื้อผ้าไทย โดยเป็นส่วนหนึ่งในการศึกษาคณะบริหารธุรกิจ สาขา
บริหารธุรกิจระหว่างประเทศ มหาวิทยาลัยแสตมป์ฟอร์ด แบบสอบถามฉบับนี้ เป็นการสำรวจข้อมูลจาก
ผู้ประกอบการด้านการทำธุรกิจเสื้อผ้าและสอบถามถึงผลกระทบต่างๆ ในตลอดระยะเวลาที่มีการเริ่มต้นนโยบาย
เขตการค้าเสรี (AFTA 2535) จนถึงปัจจุบัน

             ผู้ศึกษาวิจัยหวังว่าจะได้ความอนุเคราะห์จากท่าน และขอขอบพระคุณท่านเป็นอย่างสูงที่กรุณาให้ความ
ร่วมมือในการตอบแบบสอบถามในครั้งนี้ และข้อมูลของท่านจะถูกเก็บเป็นความลับ

             แบบสอบถาม แบ่งออกเป็น 3 ส่วน ดังนี้

             ส่วนที่ 1   ข้อมูลเบื้องต้นของผู้ตอบแบบสอบถาม

             ส่วนที่ 2   ปัจจัยที่มีผลกระทบต่ออุตสาหกรรมการส่งออกเสื้อผ้าไทยเกี่ยวกับปัจจัยเบื้องต้นของผู้
ประกอบ การ

             ส่วนที่ 3   ปัจจัยที่มีผลกระทบต่ออุตสาหกรรมการส่งออกเสื้อผ้าไทยเกี่ยวกับการส่งออก

             ส่วนที่ 4   ปัจจัยที่มีผลกระทบต่ออุตสาหกรรมการส่งออกเสื้อผ้าไทยเกี่ยวกับผลกระทบที่คาดว่าจะ
เกิดขึ้นตามข้อตกลงของ AFTA

                                                                      นางสาว ดาราวรรณ พรายแก้ว
                                                                      นักศึกษาปริญญาโท
                                                                      มหาวิทยาลัยแสตมป์ฟอร์ด

แบบสอบถามการวิจัย

เรื่อง นโยบายเขตการค้าเสรีในกลุ่มประเทศอาเซียนที่มีผลต่อโรงงานอุตสาหกรรมเสื้อผ้าไทย

ส่วนที่ 1 ข้อมูลเบื้องต้นของผู้ตอบแบบสอบถาม
โปรดทำเครื่องหมาย (✓) หน้าข้อความที่ตรงกับความเป็นจริงของท่าน

1. ท่านจบการศึกษาในระดับใด

    ☐ 1) ต่ำกว่าปริญญาตรี   ☐ 2) ปริญญาตรี

    ☐ 3) ปริญญาโท   ☐ 4) ปริญญาเอก

2. รายได้ของท่านอยู่ช่วงใดต่อเดือน

    ☐ 1) ต่ำกว่า 100,000 บาท   ☐ 2) 100,000-500,000 บาท

    ☐ 3) 500,000 – 5,000,000 บาท ☐ 4) มากกว่า 5,000,000 บาท

3. จากการเปิดเสรีทางการค้า มีผลกระทบต่อรายได้ของท่านอย่างไร

    ☐ 1) รายได้ลดลงเล็กน้อย   ☐ 2) รายได้ลดลงมาก

    ☐ 3) รายได้คงที่   ☐ 4) รายได้เพิ่มขึ้น

4. ภาษาใดบ้างที่ท่านใช้ในการดำเนินธุรกิจ (สามารถเลือกได้มากกว่า 1 ข้อ)

    ☐ 1) ภาษาไทย   ☐ 2) ภาษาอังกฤษ

    ☐ 3) ภาษาจีน   ☐ 4) อื่นๆ ระบุ.........................

ส่วนที่ 2 **ปัจจัยที่มีผลกระทบต่ออุตสาหกรรมการส่งออกเสื้อผ้าไทยเกี่ยวกับปัจจัยเบื้องต้นของผู้ประกอบการ**
คำชี้แจง โดยทำเครื่องหมาย (✓) ลงในช่องว่างขวามือที่ตรงกับความเป็นจริงของท่านมากที่สุด โดยผู้วิจัย
          ได้กำหนดเกณฑ์การให้คะแนน ดังนี้

     5   หมายถึง   ระดับผลกระทบ มากที่สุด

     4   หมายถึง   ระดับผลกระทบ มาก

     3   หมายถึง   ระดับผลกระทบ ปานกลาง

     2   หมายถึง   ระดับผลกระทบ น้อย

     1   หมายถึง   ระดับผลกระทบ น้อยที่สุด

ปัจจัย	ระดับผลกระทบ				
	5	4	3	2	1
ด้านแรงงาน					
1. ส่งผลให้แรงงานต่างด้าวเข้ามาทำงานในอุตสาหกรรมเสื้อผ้ามากขึ้น					
2. ส่งผลให้อุตสาหกรรมเสื้อผ้าเพิ่มจำนวนแรงงานทั้งแรงงานไทยและแรงงานต่างด้าว					
3. ก่อให้เกิดการขยายตัวของการจ้างงานในสถานประกอบการที่มีการส่งออกสูงขึ้น					
4. ก่อให้เกิดการพัฒนาฝีมือแรงงานที่มีคุณภาพ					
ด้านต้นทุนการผลิต					
5. ส่งผลให้ผู้ประกอบการลดค่าใช้จ่ายในการผลิตสินค้า					
6. ควบคุมค่าใช้จ่ายในการผลิตสินค้าให้เป็นไปตามนโยบายของผู้ประกอบการ					
7. ส่งผลให้ผู้ประกอบการนำเข้าวัตถุดิบจากต่างประเทศที่มีคุณภาพดีและมีต้นทุนต่ำ					
8. ผู้ประกอบการนำเข้าวัสดุและอุปกรณ์ที่ใช้ในการผลิตจากประเทศอาเซียน					
ด้านกระบวนการผลิต					
9. ทำให้อุตสาหกรรมเสื้อผ้าเพิ่มขีดความสามารถในการแข่งขันภายในประเทศสมาชิก					
10. จากการเปิดเสรีทางการค้าส่งผลให้มีการเพิ่มปริมาณการผลิต					
11. ทำให้เพิ่มประสิทธิภาพการผลิตของอุตสาหกรรมภายในประเทศ					
12. ทำให้เพิ่มประสิทธิภาพการผลิตของอุตสาหกรรมส่งออกสู่ต่างประเทศ					
ด้านวัตถุดิบ					
13. จากนโยบายการค้าเสรีส่งผลให้ผู้ประกอบการสามารถเลือกวัตถุดิบในการผลิตนำเข้าจากต่างประเทศที่มีคุณภาพและมีต้นทุนต่ำ					
14. จากนโยบายการค้าเสรีส่งผลให้ผู้ประกอบการสามารถเลือกวัสดุและอุปกรณ์ในการผลิตนำเข้าจากต่างประเทศที่มีคุณภาพและมีต้นทุนต่ำ เช่น เส้นด้าย ผ้าผืน อะไหล่ตกแต่ง					
15. จากนโยบายการค้าเสรีส่งผลให้ผู้ประกอบการสามารถเลือกซื้อเครื่องจักรในการผลิตนำเข้าจากต่างประเทศที่มีคุณภาพและมีต้นทุนต่ำ					
16. การลดภาษีนำเข้าทำให้วัตถุดิบและสินค้านำเข้าจากประเทศสมาชิกอาเซียนมีราคาต่ำ					

ส่วนที่ 3 ปัจจัยที่มีผลกระทบต่ออุตสาหกรรมการส่งออกเสื้อผ้าไทยเกี่ยวกับการส่งออก

คำชี้แจง โดยทำเครื่องหมาย (✓) ลงในช่องว่างขวามือที่ตรงกับความเป็นจริงของท่านมากที่สุด
โดยผู้วิจัยได้กำหนดเกณฑ์การให้คะแนน ดังนี้

   5 หมายถึง ระดับผลกระทบ มากที่สุด

   4 หมายถึง ระดับผลกระทบ มาก

   3 หมายถึง ระดับผลกระทบ ปานกลาง

   2 หมายถึง ระดับผลกระทบ น้อย

   1 หมายถึง ระดับผลกระทบ น้อยที่สุด

ปัจจัย	ระดับผลกระทบ				
	5	4	3	2	1
ด้านภาษี					
1. ภาษีนำเข้าส่งออกมีอิทธิพลต่อการส่งออกเสื้อผ้าแฟชั่น					
2. ผู้ประกอบการส่งออกเสื้อผ้าได้ประโยชน์จากการลดภาษีนำเข้าส่งออก					
3. การปรับลดภาษีส่งผลให้ภาคอุตสาหกรรมการส่งออกเสื้อผ้าได้กำไรมากขึ้น					
4. อัตราลดภาษีในแต่ละช่วงปีเป็นธรรมต่อผู้ประกอบการ					
ด้านการขนส่ง					
5. การเปิดการค้าเสรีส่งผลให้ค่าใช้จ่ายด้านการขนส่งสินค้ามีราคาต่ำลง					
6. ทำให้สามารถเลือกใช้บริษัทการขนส่งสินค้าได้หลากหลาย					
7. ทำให้สะดวกในการนำเข้าวัตถุดิบและอุปกรณ์ที่ใช้ในการผลิตจากประเทศอาเซียน					
8. สามารถกระจายสินค้าเข้าไปถึงตลาดภายในของประเทศสมาชิก					

**ส่วนที่ 4 ปัจจัยที่มีผลกระทบต่ออุตสาหกรรมการส่งออกเสื้อผ้าไทยเกี่ยวกับผลกระทบที่คาดว่าจะ
เกิดขึ้นตามข้อตกลงของ AFTA**

คำชี้แจง โดยทำเครื่องหมาย (✓) ลงในช่องว่างขวามือที่ตรงกับความเป็นจริงของท่านมากที่สุด
โดยผู้วิจัยได้กำหนดเกณฑ์การให้คะแนน ดังนี้

5   หมายถึง   ระดับผลกระทบ มากที่สุด

4   หมายถึง   ระดับผลกระทบ มาก

3   หมายถึง   ระดับผลกระทบ ปานกลาง

2   หมายถึง   ระดับผลกระทบ น้อย

1   หมายถึง   ระดับผลกระทบ น้อยที่สุด

ปัจจัย	ระดับผลกระทบ				
	5	4	3	2	1
ด้านปริมานการส่งออก					
1. การเปิดการค้าเสรีมีผลทำให้เพิ่มปริมาณการส่งออกไปสู่ประเทศสมาชิกมากขึ้น					
2. การเปิดการค้าเสรีส่งผลให้กำหนดปริมาณส่งออกได้เพียงพอต่อความต้องการลูกค้า					
3. การเปิดการค้าเสรีส่งผลให้ปริมาณการส่งออกสามารถขยายไปยัง สหรัฐอเมริกา ญี่ปุ่น และจีน					
4. การเปิดการค้าเสรีสามารถส่งออกโดยปราศจากมาตรการกีดกันทางภาษีและมิใช่ภาษี					
ด้านการขยายตลาดการส่งออก					
5. การเปิดการค้าเสรีส่งผลให้ผู้ประกอบการสามารถขยายตลาดส่งออกได้					
6. การเปิดการค้าเสรีทำให้มีการส่งออกไปยังตลาดของกลุ่มประเทศอาเซียนมากขึ้น					
7. การเปิดการค้าเสรีจะช่วยเพิ่มคู่ค้าสำคัญ เช่น สหรัฐอเมริกา ญี่ปุ่น และจีน					
8. ก่อให้เกิดช่องทางการกระจายสินค้าไปสู่ภูมิภาคใกล้เคียง เช่น อินเดีย บาห์เรน และเปรู					
ด้านการแข่งขันทางการค้า					
9. การเปิดการค้าเสรีส่งผลให้เกิดสภาวะการแข่งขันนำเข้าสินค้าและส่งออกที่รุนแรง					
10. การเปิดการค้าเสรีทำให้ราคาต่อหน่วยของสินค้าถูกลงเพื่อให้ได้เปรียบกับคู่ค้าใน กลุ่มประเทศอาเซียน					
11. การเปิดการค้าเสรีเพิ่มขีดความสามารถในการแข่งขันของผู้ประกอบการ					
12. ผู้ประกอบการที่มีมาตรฐานการผลิตในระดับต่ำในการแข่งกับต่างประเทศทำให้ เกิดต้นทุนในการปรับปรุงศักยภาพและมาตรฐานในการผลิตเพิ่มขึ้น					

ปัจจัย	ระดับผลกระทบ				
	5	4	3	2	1
ด้านคุณภาพสินค้า					
13. ผู้ประกอบการที่ผลิตเสื้อผ้าไม่ได้มาตรฐานทัดเทียมกับประเทศสมาชิกทำให้เกิดการเสียเปรียบทางการค้า					
14. จากการเปิดการค้าเสรีทำให้ผู้ประกอบการไทยมีเทคโนโลยีการผลิตที่ทันสมัยน้อย					
15. ผู้ประกอบการจะต้องมีการพัฒนาปรับปรุงคุณภาพสินค้าอย่างต่อเนื่อง เพื่อให้สามารถแข่งขันกับกลไกทางการค้าได้					

.... **ขอขอบคุณทุกท่านที่ให้ความร่วมมือ** ....

APPENDIX B
SURVEY QUESTIONNAIRE (ENGLISH VERSION)

<div align="center">**Research Questionnaire**</div>

<div align="center">**Effects of free trade policy in ASEAN member states on Thai garment export industry**</div>

Description

      This questionnaire is the tool for research in effects of free trade policy in ASEAN member states on Thai garment export industry. The research belongs in education of Business Administration (International Business), Stamford University. This questionnaire is data survey from garment business entrepreneurs and inquires about various effects in the period after initiated AFTA 1992 until now.

      The researcher hopes to obtained your assistance and would like to give a very thank for your kind cooperation in this response and your information would be kept confidentially.

      The questionnaire is divided into 4 parts as follows:

Section 1: Respondent's primary information

Section 2: Factors affecting Thai garment export industry which related to entrepreneur's primary factors

Section 3: Factors affecting Thai garment export industry which related to export

Section 4: Factors affecting Thai garment export industry which related to expected effected from AFTA agreement

<div align="right">Miss Darawan Praikaew</div>
<div align="right">Master's Student</div>
<div align="right">Stamford International University</div>

Research Questionnaire

Effects of free trade policy in ASEAN member states on Thai garment export industry

Section 1: Respondent's primary information

<u>Instruction</u>

Please mark (✓) at the most appropriate response

1. Education

□ 1) Below Bachelor's Degree   □ 2) Bachelor's Degree

□ 3) Master's Degree   □ 4) Doctor's Degree

2. Monthly income

□ 1) Below 100,000 baht   □ 2) 100,000-500,000 baht

□ 3) 500,000 – 5,000,000 baht   □ 4) Above 5,000,000 baht

3. How does trade liberalization affect to your income?

□ 1) My income is lowly decreased   □ 2) My income is highly decrease

□ 3) My income is unchanged   □ 4) My income is increased

4. Which languages you are using in business operation? (More than 1 language is allowed)

□ 1) Thai   □ 2) English

□ 3) Chinese   □ 4) Others–Please specify...................

Section 2: Factors affecting Thai garment export industry which related to entrepreneur's primary factors

Instruction

Please mark (✓) at the most appropriate response

This item scales are five-point type scale which

> 5 = Very high effect level
>
> 4 = High effect level
>
> 3 = Moderate effect level
>
> 2 = Low effect level
>
> 1 = Very low effect level

Factors	Effect Level				
	5	4	3	2	1
Labor					
1. Affected in higher mount alien labors in garment industry					
2. Affected in garment industry has increased amount of Thai and alien labors					
3. Led to higher employment expansion in export businesses					
4. Caused high quality skill development					
Production Cost					
5. Affected in reduction of production costs					
6. Production costs could be controlled in accordance with policies					
7. Affected in high-quality and low cost imported raw materials					
8. Entrepreneurs imported materials and devices provided by ASEAN states					
Production Process					
9. Garment industry has increased capability in competition with other members					
10. Trade liberalization caused increase of production quantity					
11. Domestic industrial production efficiency was increased					

Factors	Effect Level				
	5	4	3	2	1
12. Export industrial production efficiency was increased					
Raw Materials					
13. Free trade policies affected to entrepreneurs could select to import high-quality and low-cost production raw materials					
14. Free trade policies affected to entrepreneurs could select to import high-quality and low-cost production raw materials such as threads, clothes, spare parts for decoration					
15. Free trade policies affected to entrepreneurs could select to import high-quality and low-cost production machineries					
16. Reduction of import duty led to low cost of raw materials and products imported from ASEAN states					

Section 3: Factors affecting Thai garment export industry which related to export

<u>Instruction</u>

Please mark (✓) at the most appropriate response

This item scales are five-point type scale which

5 = Very high effect level

4 = High effect level

3 = Moderate effect level

2 = Low effect level

1 = Very low effect level

Factors	Effect Level				
	5	4	3	2	1
Duty					
1. Duty tax influenced to fashion garment export					
2. Garment exporters benefited from duty reduction					
3. Duty reduction affected in high profit for industrial sector					
4. Duty reduction rate in each year range was fair for entrepreneurs					
Shipment					
5. Trade liberalization affected in lower shipment cost					
6. Careers could be variously selected					
7. Raw materials and devices from ASEAN states could be conveniently imported					
8. Products could be distributed into member's internal market					

Section 4: Factors affecting Thai garment export industry which related to expected effects from AFTA agreement

Instruction

Please mark (✓) at the most appropriate response

This item scales are five-point type scale which

      5 = Very high effect level

      4 = High effect level

      3 = Moderate effect level

      2 = Low effect level

      1 = Very low effect level

Factors	Effect Level				
	5	4	3	2	1
Export Quantity					
1. Trade liberalization led to higher amount of exporting to member states					
2. Trade liberalization affected in export quantity which met customer's demand					
3. Trade liberalization expanded export to USA, Japan and China					
4. Trade liberalization could allow export without tariff barrier and non-tariff barrier					
Export Market Expansion					
5. Trade liberalization caused entrepreneurs could expand export market					
6. Trade liberalization caused higher export to the market of ASEAN member states					
7. Trade liberalization added key partners such as USA, Japan and China					
8. Trade liberalization caused the channels of product distribution to neighbor regions such as India, Bahrain and Peru					

Factors	Effect Level				
	5	4	3	2	1
Trade Competition					
9. Trade liberalization caused high severity of import/export competition					
10. Trade liberalization lowered product unit price for advantage compared to partners in ASEAN members					
11. Trade liberalization increased competitive capability of entrepreneurs					
12. Low quality production entrepreneurs have to increase potential and production improvement budget for competition					
Product Quality					
13. Low standard of garment production compared with other countries led to trade disadvantage					
14. Trade liberalization caused Thai entrepreneurs have a few modern production technologies					
15. Entrepreneurs must be continually developed product quality to be able to compete with trade mechanism					

.... Thanks for your cooperation ....
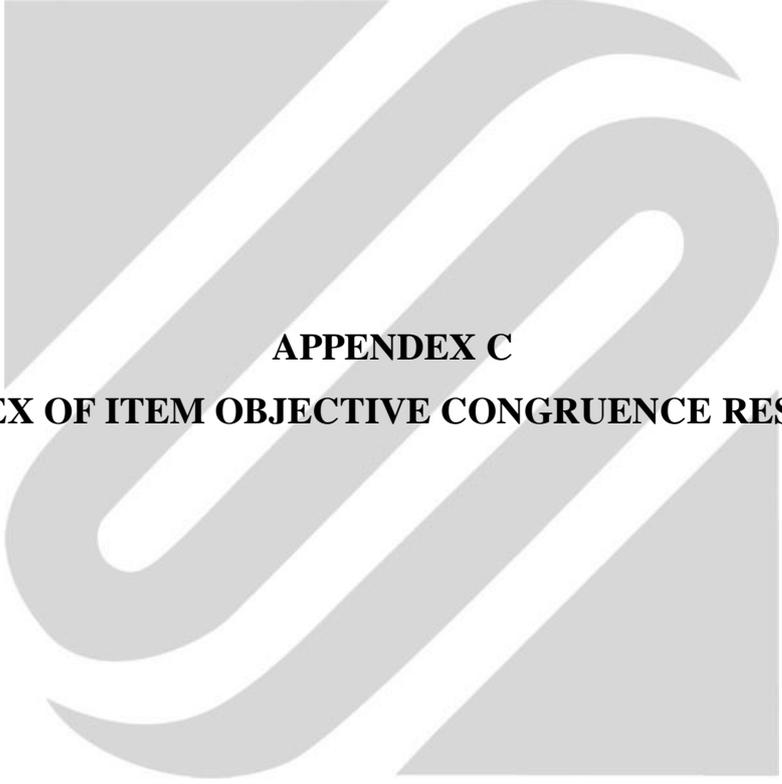
APPENDEX C

INDEX OF ITEM OBJECTIVE CONGRUENCE RESULT

ตารางวิเคราะห์ความคิดเห็นของผู้ทรงคุณวุฒิ

**ส่วนที่ 2 ปัจจัยที่มีผลกระทบต่ออุตสาหกรรมการส่งออกเสื้อผ้าไทยเกี่ยวกับปัจจัยเบื้องต้นของ
           ผู้ประกอบการ**

รายการข้อความคิดเห็น	ประมาณค่าความคิดเห็นของผู้ทรงคุณวุฒิคนที่					ค่า IOC	แปลผล
	1	2	3	4	5		
ด้านแรงงาน							
1. ส่งผลให้แรงงานต่างด้าวเข้ามาทำงานในอุตสาหกรรมเสื้อผ้ามากขึ้น	+1	+1	+1	+1	+1	1.0	ใช้ได้
2. ส่งผลให้อุตสาหกรรมเสื้อผ้าเพิ่มจำนวนแรงงานทั้งแรงงานไทยและแรงงานต่างด้าว	+1	+1	+1	+1	+1	1.0	ใช้ได้
3. ก่อให้เกิดการขยายตัวของการจ้างงานในสถานประกอบการที่มีการส่งออกสูงขึ้น	+1	+1	+1	+1	+1	1.0	ใช้ได้
4. ก่อให้เกิดการพัฒนาฝีมือแรงงานที่มีคุณภาพ	+1	+1	+1	+1	+1	1.0	ใช้ได้
ด้านต้นทุนการผลิต							
5. ส่งผลให้ผู้ประกอบการลดค่าใช้จ่ายในการผลิตสินค้า	+1	+1	+1	+1	+1	1.0	ใช้ได้
6. ควบคุมค่าใช้จ่ายในการผลิตสินค้าให้เป็นไปตามนโยบายของผู้ประกอบการ	+1	+1	+1	+1	+1	1.0	ใช้ได้
7. ส่งผลให้ผู้ประกอบการนำเข้าวัตถุดิบจากต่างประเทศที่มีคุณภาพดีและมีต้นทุนต่ำ	+1	+1	+1	+1	+1	1.0	ใช้ได้
8. ผู้ประกอบการนำเข้าวัสดุและอุปกรณ์ที่ใช้ในการผลิตจากประเทศอาเซียน	+1	0	+1	+1	+1	0.8	ใช้ได้
ด้านกระบวนการผลิต							
9. ทำให้อุตสาหกรรมเสื้อผ้าเพิ่มขีดความสามารถในการแข่งขันภายในประเทศสมาชิก	+1	+1	+1	+1	+1	1.0	ใช้ได้
10. จากการเปิดเสรีทางการค้าส่งผลให้มีการเพิ่มปริมาณการผลิต	+1	+1	+1	+1	+1	1.0	ใช้ได้
11.ทำให้เพิ่มประสิทธิภาพการผลิตของอุตสาหกรรมภายในประเทศ	+1	+1	+1	+1	+1	1.0	ใช้ได้
12. ทำให้เพิ่มประสิทธิภาพการผลิตของอุตสาหกรรมส่งออกสู่ต่างประเทศ	+1	+1	+1	+1	+1	1.0	ใช้ได้

รายการข้อความคิดเห็น	ประมาณค่าความคิดเห็นของ ผู้ทรงคุณวุฒิคนที่					ค่า IOC	แปล ผล
	1	2	3	4	5		
ด้านวัตถุดิบ							
13. จากนโยบายการค้าเสรีส่งผลให้ผู้ประกอบการสามารถ เลือกวัตถุดิบในการผลิตนำเข้าจากต่างประเทศที่มีคุณภาพ และมีต้นทุนต่ำ	+1	+1	0	+1	+1	0.8	ใช้ได้
14. จากนโยบายการค้าเสรีส่งผลให้ผู้ประกอบการสามารถ เลือกวัสดุและอุปกรณ์ในการผลิตนำเข้าจากต่างประเทศที่ มีคุณภาพและมีต้นทุนต่ำ เช่น เส้นด้าย ผ้าผืน อะไหล่ ตกแต่ง	+1	+1	+1	+1	+1	1.0	ใช้ได้
15. จากนโยบายการค้าเสรีส่งผลให้ผู้ประกอบการสามารถ เลือกซื้อเครื่องจักรในการผลิตนำเข้าจากต่างประเทศที่มี คุณภาพและมีต้นทุนต่ำ	+1	+1	+1	+1	+1	1.0	ใช้ได้
16. การลดภาษีนำเข้าทำให้วัตถุดิบและสินค้านำเข้าจาก ประเทศสมาชิกอาเซียนมีราคาต่ำ	+1	+1	+1	+1	+1	1.0	ใช้ได้

$$\text{ค่า IOC} \quad = \quad \frac{15.6}{16}$$
$$= \quad 0.975$$

ส่วนที่ 3   ปัจจัยที่มีผลกระทบต่ออุตสาหกรรมการส่งออกเสื้อผ้าไทยเกี่ยวกับการส่งออก

รายการข้อความคิดเห็น	ประมาณค่าความคิดเห็นของผู้ทรงคุณวุฒิคนที่					ค่า IOC	แปลผล
	1	2	3	4	5		
ด้านภาษี							
1. ภาษีนำเข้าส่งออกมีอิทธิพลต่อการส่งออกเสื้อผ้าแฟชั่น	+1	0	+1	+1	+1	0.8	ใช้ได้
2. ผู้ประกอบการส่งออกเสื้อผ้าได้ประโยชน์จากการลดภาษีนำเข้าส่งออก	+1	+1	+1	+1	+1	1.0	ใช้ได้
3. การปรับลดภาษีส่งผลให้ภาคอุตสาหกรรมการส่งออกเสื้อผ้าได้กำไรมากขึ้น	+1	+1	+1	+1	+1	1.0	ใช้ได้
4. อัตราลดภาษีในแต่ละช่วงปีเป็นธรรมต่อผู้ประกอบการ	+1	+1	0	+1	+1	0.8	ใช้ได้
ด้านการขนส่ง							
5. การเปิดการค้าเสรีส่งผลให้ค่าใช้จ่ายด้านการขนส่งสินค้ามีราคาต่ำลง	+1	+1	+1	+1	+1	1.0	ใช้ได้
6. ทำให้สามารถเลือกใช้บริษัทการขนส่งสินค้าได้หลากหลาย	+1	+1	+1	+1	+1	1.0	ใช้ได้
7. ทำให้สะดวกในการนำเข้าวัตถุดิบและอุปกรณ์ที่ใช้ในการผลิตจากประเทศอาเซียน	+1	+1	+1	+1	+1	1.0	ใช้ได้
8. สามารถกระจายสินค้าเข้าไปถึงตลาดภายในของประเทศสมาชิก	+1	+1	+1	+1	+1	1.0	ใช้ได้

$$\text{ค่า IOC} = \frac{7.6}{8}$$
$$= 0.95$$

ส่วนที่ 4 ปัจจัยที่มีผลกระทบต่ออุตสาหกรรมการส่งออกเสื้อผ้าไทยเกี่ยวกับผลกระทบที่คาดว่าจะ
เกิดขึ้นตามข้อตกลงของ AFTA

รายการข้อความคิดเห็น	ประมาณค่าความคิดเห็นของผู้ทรงคุณวุฒิคนที่					ค่า IOC	แปลผล
	1	**2**	**3**	**4**	**5**		
ด้านปริมานการส่งออก							
1. การเปิดการค้าเสรีมีผลทำให้เพิ่มปริมาณการส่งออกไปสู่ประเทศสมาชิกมากขึ้น	+1	+1	+1	+1	+1	1.0	ใช้ได้
2. การเปิดการค้าเสรีส่งผลให้กำหนดปริมาณส่งออกได้เพียงพอต่อความต้องการลูกค้า	+1	+1	+1	+1	+1	1.0	ใช้ได้
3. การเปิดการค้าเสรีส่งผลให้ปริมาณการส่งออกสามารถขยายไปยัง สหรัฐอเมริกา ญี่ปุ่น และจีน	+1	+1	+1	+1	+1	1.0	ใช้ได้
4. การเปิดการค้าเสรีสามารถส่งออกโดยปราศจากมาตรการกีดกันทางภาษีและมิใช่ภาษี	+1	+1	0	+1	+1	0.8	ใช้ได้
ด้านการขยายตลาดการส่งออก							
5. การเปิดการค้าเสรีส่งผลให้ผู้ประกอบการสามารถขยายตลาดส่งออกได้	+1	+1	+1	+1	+1	1.0	ใช้ได้
6. การเปิดการค้าเสรีทำให้มีการส่งออกไปยังตลาดของกลุ่มประเทศอาเซียนมากขึ้น	+1	+1	0	+1	+1	0.8	ใช้ได้
7. การเปิดการค้าเสรีจะช่วยเพิ่มคู่ค้าสำคัญ เช่น สหรัฐอเมริกา ญี่ปุ่น และจีน	+1	+1	+1	+1	+1	1.0	ใช้ได้
8. ก่อให้เกิดช่องทางการกระจายสินค้าไปสู่ภูมิภาคใกล้เคียง เช่น อินเดีย บาห์เรน และเปรู	+1	+1	+1	+1	+1	1.0	ใช้ได้
ด้านการแข่งขันทางการค้า							
9. การเปิดการค้าเสรีส่งผลให้เกิดสภาวะการแข่งขันนำเข้าสินค้าและส่งออกที่รุนแรง	+1	0	+1	+1	+1	0.8	ใช้ได้
10. การเปิดการค้าเสรีทำให้ราคาต่อหน่วยของสินค้าถูกลงเพื่อให้ได้เปรียบกับคู่ค้าในกลุ่มประเทศอาเซียน	+1	+1	+1	+1	+1	1.0	ใช้ได้
11. การเปิดการค้าเสรีเพิ่มขีดความสามารถในการแข่งขันของผู้ประกอบการ	+1	+1	+1	+1	+1	1.0	ใช้ได้

รายการข้อความคิดเห็น	ประมาณค่าความคิดเห็นของผู้ทรงคุณวุฒิคนที่					ค่า IOC	แปลผล
	1	2	3	4	5		
12. ผู้ประกอบการที่มีมาตรฐานการผลิตในระดับต่ำในการแข่งกับต่างประเทศทำให้เกิดต้นทุนในการปรับปรุงศักยภาพและมาตรฐานในการผลิตเพิ่มขึ้น	+1	+1	+1	+1	+1	1.0	ใช้ได้
ด้านคุณภาพสินค้า							
13. ผู้ประกอบการที่ผลิตเสื้อผ้าไม่ได้มาตรฐานทัดเทียมกับประเทศสมาชิกทำให้เกิดการเสียเปรียบทางการค้า	+1	+1	+1	+1	+1	1.0	ใช้ได้
14. จากการเปิดการค้าเสรีทำให้ผู้ประกอบการไทยมีเทคโนโลยีการผลิตที่ทันสมัยน้อย	+1	+1	+1	+1	+1	1.0	ใช้ได้
15. ผู้ประกอบการจะต้องมีการพัฒนาปรับปรุงคุณภาพสินค้าอย่างต่อเนื่อง เพื่อให้สามารถแข่งขันกับกลไกทางการค้าได้	+1	+1	+1	+1	+1	1.0	ใช้ได้

$$\text{ค่า IOC} = \frac{14.4}{15}$$
$$= 0.96$$

Experimental Physic Evaluation: Index of Consistency Tools in the Effect of Free Trade Policy Toward Thailand Garment Industries For Export.

Explaination: Index Of Item Objective Congruence Result (IOC)

tools that effect free trade policy toward Thailand garment industries for export in order to evaluate comments from expertist toward the questions. It is suitable to use as a tools for conduct research data and will work as Index of Consistency from Chapter 1 to Chapter 3, and we agree to conduct data by

+1 = this question is suitable

0 = this question is average, undecided, neutral

-1 = this qeustion is completely improper

Table of Expert's Opinion Analysis

Section 2: Factors affecting Thai garment export industry which related to entrepreneur's primary factors

List of opinions	Estimated opinion value of expert no.					IOC Value	Interpreted
	1	2	3	4	5		
Labor							
1. Affected in higher mount alien labors in garment industry	+1	+1	+1	+1	+1	1.0	Valid
2. Affected in garment industry has increased amount of Thai and alien labors	+1	+1	+1	+1	+1	1.0	Valid
3. Led to higher employment expansion in export businesses	+1	+1	+1	+1	+1	1.0	Valid
4. Caused high quality skill development	+1	+1	+1	+1	+1	1.0	Valid
Production Cost							
5. Affected in reduction of production costs	+1	+1	+1	+1	+1	1.0	Valid
6. Production costs could be controlled in accordance with policies	+1	+1	+1	+1	+1	1.0	Valid
7. Affected in high-quality and low cost imported raw materials	+1	+1	+1	+1	+1	1.0	Valid
8. Entrepreneurs imported materials and devices provided by ASEAN states	+1	0	+1	+1	+1	0.8	Valid
Production Process							
9. Garment industry has increased capability in competition with other members	+1	+1	+1	+1	+1	1.0	Valid

List of opinions	Estimated opinion value of expert no.					IOC Value	Interpreted
	1	2	3	4	5		
10. Trade liberalization caused increase of production quantity	+1	+1	+1	+1	+1	1.0	Valid
11. Domestic industrial production efficiency was increased	+1	+1	+1	+1	+1	1.0	Valid
12. Export industrial production efficiency was increased	+1	+1	+1	+1	+1	1.0	Valid
Raw Materials							
13. Free trade policies affected to entrepreneurs could select to import high-quality and low-cost production raw materials	+1	+1	0	+1	+1	0.8	Valid
14. Free trade policies affected to entrepreneurs could select to import high-quality and low-cost production raw materials such as threads, clothes, spare parts for decoration	+1	+1	+1	+1	+1	1.0	Valid
15. Free trade policies affected to entrepreneurs could select to import high-quality and low-cost production machineries	+1	+1	+1	+1	+1	1.0	Valid
16. Reduction of import duty led to low cost of raw materials and products imported from ASEAN states	+1	+1	+1	+1	+1	1.0	Valid

$$\text{IOC Value} = \frac{15.6}{16}$$

$$= 0.975$$

Section 3: Factors affecting Thai garment export industry which related to export

List of opinions	Estimated opinion value of expert no.					IOC Value	Interpreted
	1	2	3	4	5		
Duty							
1. Duty tax influenced to fashion garment export	+1	0	+1	+1	+1	0.8	Valid
2. Garment exporters benefited from duty reduction	+1	+1	+1	+1	+1	1.0	Valid
3. Duty reduction affected in high profit for industrial sector	+1	+1	+1	+1	+1	1.0	Valid
4. Duty reduction rate in each year range was fair for entrepreneurs	+1	+1	0	+1	+1	0.8	Valid
Shipment							
5. Trade liberalization affected in lower shipment cost	+1	+1	+1	+1	+1	1.0	Valid
6. Careers could be variously selected	+1	+1	+1	+1	+1	1.0	Valid
7. Raw materials and devices from ASEAN states could be conveniently imported	+1	+1	+1	+1	+1	1.0	Valid
8. Products could be distributed into member's internal market	+1	+1	+1	+1	+1	1.0	Valid

$$\text{IOC Value} = \frac{7.6}{8}$$
$$= 0.95$$

Section 4: Factors affecting Thai garment export industry which related to expected effects from AFTA agreement

List of opinions	Estimated opinion value of expert no.					IOC Value	Interpreted
	1	2	3	4	5		
Export Quantity							
1. Trade liberalization led to higher amount of exporting to member states	+1	+1	+1	+1	+1	1.0	Valid
2. Trade liberalization affected in export quantity which met customer's demand	+1	+1	+1	+1	+1	1.0	Valid
3. Trade liberalization expanded export to USA, Japan and China	+1	+1	+1	+1	+1	1.0	Valid
4. Trade liberalization could allow export without tariff barrier and non-tariff barrier	+1	+1	0	+1	+1	0.8	Valid
Export Market Expansion							
5. Trade liberalization caused entrepreneurs could expand export market	+1	+1	+1	+1	+1	1.0	Valid
6. Trade liberalization caused higher export to the market of ASEAN member states	+1	+1	0	+1	+1	0.8	Valid
7. Trade liberalization added key partners such as USA, Japan and China	+1	+1	+1	+1	+1	1.0	Valid
8. Trade liberalization caused the channels of product distribution to neighbor regions such as India, Bahrain and Peru	+1	+1	+1	+1	+1	1.0	Valid
Trade Competition							
9. Trade liberalization caused high severity of import/export competition	+1	0	+1	+1	+1	0.8	Valid
10. Trade liberalization lowered product unit price for advantage compared to partners in ASEAN members	+1	+1	+1	+1	+1	1.0	Valid
11. Trade liberalization increased competitive capability of entrepreneurs	+1	+1	+1	+1	+1	1.0	Valid
12. Low quality production entrepreneurs have to increase potential and production improvement budget for competition	+1	+1	+1	+1	+1	1.0	Valid

List of opinions	Estimated opinion value of expert no.					IOC Value	Interpreted
	1	2	3	4	5		
Product Quality							
13. Low standard of garment production compared with other countries led to trade disadvantage	+1	+1	+1	+1	+1	1.0	Valid
14. Trade liberalization caused Thai entrepreneurs have a few modern production technologies	+1	+1	+1	+1	+1	1.0	Valid
15. Entrepreneurs must be continually developed product quality to be able to compete with trade mechanism	+1	+1	+1	+1	+1	1.0	Valid

$$\text{IOC Value} = \frac{14.4}{15}$$
$$= 0.96$$

APPENDEX D
RELIABILITY TESTING RESULT

Reliability Value of Questionnaire

Effects of free trade policy in ASEAN member states on Thai garment export industry

Table N: Cronbach's alpha coefficients in factor affecting Thai garment export industry related to entrepreneur's primary factors, obtained from 40 samples

Table C.22   Cronbach's alpha coefficients in factor affecting Thai garment export industry related to entrepreneur's primary factors, obtained from 40 samples

Variables	Amount (Items)	Alpha Coefficient
1. Labor	4	.760
2. Production cost	4	.870
3. Production process	4	.767
4. Raw materials	4	.906
Total reliability value	**16**	**.798**

Criteria for obtained alpha value consideration would express stability value of questionnaire that ranged in $0 \leq \alpha \leq 1$. If the obtained value is very close to 1, it means high reliability.

The results of questionnaire reliability value measurement when applied to 40 samples indicated that total reliability value was 0.798. When considered in details, it was found that each field question has reliability level ranged in 0.760-0.906 which means Cronbach's alpha coefficients provided high level reliability value.

Table C.23   Cronbach's alpha coefficients in factor affecting Thai garment export industry related to export, obtained from 40 samples

Variables	Amount (Items)	Alpha Coefficient
1. Duty	4	.829
2. Shipment	4	.779
Total reliability value	**8**	**.891**

Criteria for obtained alpha value consideration would express stability value of questionnaire that ranged in $0 \leq \alpha \leq 1$. If the obtained value is very close to 1, it means high reliability.

The results of questionnaire reliability value measurement when applied to 40 samples indicated that total reliability value was 0.891. When considered in details, it was found that each field question has reliability level ranged in 0.779-0.829 which means Cronbach's alpha coefficients provided high level reliability value.

Table C.24 Cronbach's alpha coefficients in factor affecting Thai garment export industry related to expected effects from AFTA agreement, obtained from 40 samples

Variables	Amount (Items)	Alpha Coefficient
1. Export quantity	4	.815
2. Export market expansion	4	.872
3. Trade competition	4	.884
4. Product quality	3	.878
Total reliability value	**15**	**.858**

Criteria for obtained alpha value consideration would express stability value of questionnaire that ranged in $0 \leq \alpha \leq 1$. If the obtained value is very close to 1, it means high reliability.

The results of questionnaire reliability value measurement when applied to 40 samples indicated that total reliability value was 0.858. When considered in details, it was found that each field question has reliability level ranged in 0.815-0.884 which means Cronbach's alpha coefficients provided high level reliability value.

APPENDEX E
LIST OF EXPERTS

LIST OF EXPERTS

1.	Yupaporn Chanta	Lecturer, Department of foreign language, Faculty of Liberal Arts, Kasetsart University.
2.	Dr. Sujanya Sombattheera	Lecturer, Department of General Study, Faculty of Liberal Arts, Mae Fah Luang University,
3.	Ms. Panadda Sri-Umporn	Garment export entrepreneur
4.	Ms. Kannika Dodsae	Garment export entrepreneur
5.	Ms. Sudarat Maliwan	Garment export entrepreneur

BIOGRAPHY

NAME	Miss Darawan Praikaew
DATE OF BIRTH	April 3, 1991

EDUCATION

YEAR 2015	Matter of Business Administration
	Stamford International University
YEAR 2014	Bachelor of Art (Teaching Chinese Language)
	Mae Fah Luang University, Chiangrai
NATIONALITY	Thai
HOME ADDRESS	157, Village No. 5, Bung Nakorn
	Sub-District, Hua Hin District,
	Prachuap Khiri Khan Province, 77110
EMAIL	ddarawan.38@gmail.com