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B 1

**A message from Thai PM Thaksin Shinawatra**

Japan is one of Thailand's closest friends in Asia. The history of our relations dates back more than 600 years, encompassing trade, social affairs, as well as cultural linkages. We share tremendous similarities and a fond sense of an unbreakable friendship.

It is my privilege to have been administering, for the past four years, one of the most vibrant chapters in Thailand-Japan relations. I also have a wonderful working relationship with Prime Minister Junichiro Koizumi. We share thoughts and a desire to make the best possible environments for both countries to stretch their potential to the limits.



Japanese Prime Minister Junichiro Koizumi and Thai Prime Minister Thaksin Shinawatra in Tokyo

The soon-to-be-concluded Japan-Thailand Economic Partnership Agreement, or JTEPA, will serve as a comprehensive framework functionalizing between the two countries free trade and other cooperation activities, such as energy, human resources, intellectual property and education.

We should look at the JTEPA as a synergy of strength not as a competition between two markets. It is a long-term process that will be beneficial for both countries. I would say that the Thailand-Japan relationship is about synergizing strengths, deepening a sense of "ownership" in our relations, and looking beyond bilateral relations.

With Japan, Thailand will further broaden and deepen relations by forging closer economic relations, enhancing a more favorable investment climate and generating greater business opportunities through cooperation, liberalization and facilitation in trade and investment.

We are also committed to sharing our experience and

bolstering assistance to countries in the region, in particular the CLMV (Cambodia, Laos Myanmar, Vietnam), to develop their capabilities, infrastructure

education and so on toward an effective integration into the international community.

The next two years will be very significant for Thailand as well as our relationship with Japan.

The 60th anniversary of H.M. the king's ascension to the throne will be one of the biggest events ever seen in this country. With the presence of the Japanese Imperial family, the strong bond existing between the Thai and Japanese royal households will surely be strengthened even further.

The 120th anniversary of Thailand-Japan diplomatic relations in 2007 is particularly important not only for the two governments but for our two peoples. Our two governments will be jointly undertaking celebrative activities in both countries. ◆

**Roaring toward success**

With the hardships of the 1997 Asian currency crisis barely a distant memory, Southeast Asia endured a battery of trials in 2005 that once again tested the region's resilience. An indiscriminating December 2004 Indian Ocean tsunami followed by the re-emergence of the deadly avian flu virus, a protracted drought and spiraling oil prices challenged many growth targets of Southeast Asian economies in the past year.

Although many of the region's countries suffered in 2005, there were a few that exhibited strong determination and possessed solid enough economic fundamentals to surmount the hurdles. Among these sturdy economies was the Kingdom of Thailand.

Despite a sluggish global economy, Thailand posted a GDP growth of 6.1 percent in 2004 on the heels of free trade agreements and policies that encouraged more foreign investment. That year, the U.N. Conference on Trade and Development (UNCTAD) ranked Thailand as the No. 4 foreign direct investment location for global inflows.

Under His Majesty King Bhumibol Adulyadej, who celebrates 60 years as the country's monarch this year, Thailand has grown into a stable and well-built nation that continues to earn the admiration of its neighbors.

Led by second-term Prime Minister Thaksin Shinawatra, the government has identified key core competencies to target for future growth, from automobiles to electronics, textiles and fashion, medical tourism, food and steel.

With regards to automobile manufacturing, Thailand expects this sector to spearhead future growth as the country aims to become the "Detroit of Asia."

Under this initiative, annual output is expected to double from 900,000 units in 2004 to 1.8 million units by 2010, of which 45 percent is intended for export. Of total output, 60 percent is in the form of 1-ton pickup trucks, making Thailand the second-largest global producer of such models.

By 2010, Thailand intends to make it into the world's top 10 auto manufacturing countries. It is currently the 15th-largest vehicle maker in the world.

Japanese business has a very significant presence in Thailand's economy as 40 percent of foreign direct investment (FDI) is from Japan, the biggest investor in the kingdom. Led by trading houses such as Mitsui and Ito-



Like the headquarters of the flagship company PTT, the Thai economy towers over its neighbors and embarks into new business ventures with more self-confidence and a greater determination to outperform other Southeast Asian nations.

chu, and facilitated by the Japanese Chamber of Commerce (JCC) and the Thai Board of Investment (BOI), bilateral trade reached nearly \$35 billion in

and its proximity to cost-friendly Laos, Myanmar or Cambodia, the Thai-Japanese economic relationship is set to grow even further.

A vital component of the government's economic growth strategy is to boost low-risk domestic investment, which includes a \$41.51 billion infrastructure "megaproject." According to the Ministry of Finance, this should boost GDP by 1.5 percent by 2009. As of 2004, domestic investment made up 26 percent of the investment market.

"The financial sector is now much stronger than pre-crisis levels. We have become profitable and financial restructuring has been successfully achieved. The debt and bond markets have been developed and privatization has been ongoing," says Finance Minister Thanong Bidaya.

(SEE FULL INTERVIEW ON PAGE B2) "Most new projects are financed through debt instruments and we have publicly listed many major companies over

the years with several more — such as our electric and telephone companies — in the pipeline. Through such methods I would like to see our capi-



Thai Minister of Industry Surriya Jungrungrangkit

tal market increase from \$119.71 billion to \$244.20 billion," he continues.

To complement efforts to CONTINUED ON PAGE B2

**INSIDE ITOCHU**

Success depends on the skill and speed with which a company adapts to the ever-shifting landscape of the global economy. Itochu Corp. in Thailand and its head, Tetsushi Ishizuka, have had no trouble doing either. Read how a traditional trading firm meets the growing demands of the world economy on Page B4

**eBox**

With its modern, elegant, spacious and comfortable apartments, the Accor-managed **Natural Ville Executive Residences** offer the business traveler luxury living in the heart of Bangkok. Its central location (just 200 meters from the Ratchadamri Sky Train Station), stunning views of the Central Business District, an exceptional spa and top-grade café make Natural Ville the refined solution for city living. [www.naturalville.com](http://www.naturalville.com)

A technology innovator for advanced oral care systems, **Lion Corp. in Thailand** provides a wide range of top-quality products for better dental health and care. [www.lion.co.th](http://www.lion.co.th)

The Japanese Chamber of Commerce has contributed to the economic development of Japan and Thailand, and to the development of trade and industry between the two countries for over 50 years. The organization provides assistance and advice to members in developing their trade and industrial activities. [www.jcc.or.th](http://www.jcc.or.th)

The Federation of Thai Industries, established in 1967, acts as the core liaison between entrepreneurs and consumers. The FTI also coordinates activities between the government and private sectors domestically and abroad. [www.fti.or.th](http://www.fti.or.th) 125

**Creating the perfect climate for today's world**

In tropical Southeast Asia, the demand for climate-control systems across the region has remained strong. Daikin Industries, the leading maker of air conditioners in Japan, came to Thailand not only to tap a very lucrative Asian market but also to strengthen its global position.

"Daikin Industries Thailand, or DIT, was established in 1990 partly because of the yen revaluation in Japan during the mid-1980s. Daikin would have lost its competitive edge if it manufactured only in Japan. Overseas production was critical for the company to survive," DIT Chairman Toshio Nakano recalls.



Daikin Industries Thailand Chairman Toshio Nakano

DIT, which is involved in product development, manufacturing, sales operation and distribution, has since supplied its products around the world. It has exported to various countries in Oceania, Asia, the EU, Middle East and Japan, which means DIT is a production center for the world.

"When I first came to Thailand in 1973, demand for air conditioners had just started growing in the country. Today, there are still many households in Thailand and the ASEAN region that lack climate-control systems. DIT's business grew more than 20 percent in 2004 and I feel there is great potential to expand our business in this region of the world," Nakano points out.

Since the Japanese market is highly saturated with air conditioning products, Daikin has steered its strategy toward overseas markets for future growth. Daikin has achieved the No. 1 share in Japan and has set its sights on becoming No. 1 in the world.

In 2004, the group reported revenues of \$6.7 billion and profits of \$550 million.

**'In business, there are always challenges. I feel our production in Thailand will continue to be globally competitive'**

"In business, there are always challenges. As every cost, such as labor costs, has been rising, it is our most important task to maintain the development speed, quality improvement

and continuous cost reduction. We, of course, care for the global environment in these operations. Therefore I feel our production in Thailand will continue to be globally competitive," says Nakano.

Its premium products have allowed Daikin to find customers who are ready to spend more on the top-end cooling systems — a situation that the company has attributed to the strength of its brand and long history in the region.

"Daikin's group target is to be the No. 1 brand in the world. To achieve our goal, we must become No. 1 region by region. My immediate goal for Daikin is to be the market leader in ASEAN and Oceania. We must continue supplying the best quality products and meet the future needs of consumers in every market. This is my dream," says Nakano. ◆ [www.daikinthai.com](http://www.daikinthai.com)

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## Denso gears up for more global competition

Last year, Denso's head office in Japan transferred regional marketing operations to its office in Thailand — a move that brought the company even closer to its factories and its customers in the country, as well as those in Southeast Asia.

Managing Director Yoshihiko Yamada, who was tasked not only to oversee regional marketing activities but supervise sales and operations of Denso's six companies in Thailand, has prioritized growth and productivity with Denso. Not that the company faced any trouble in these areas at all.

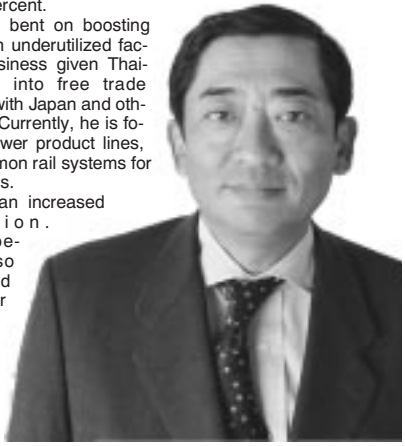
In 2004, Denso in Thailand reported gross earnings of over \$486 million and was expected to boost that figure by 65 percent in 2005. Since starting operations in the country in 1972, the company has raised its domestic market share to around 80 percent.

Yamada is bent on boosting productivity in underutilized facets of its business given Thailand's entry into free trade agreements with Japan and other countries. Currently, he is focusing on newer product lines, such as common rail systems for diesel engines.

"FTAs mean increased competition. Whereas before, Denso only competed with other manufacturers in Thailand, we have begun competing with manufacturers in the region. Now, with FTAs being signed with India, China, Australia and the United States, our competition has once again expanded. This is why we need to expand our product range, especially in the smaller component lines to strengthen our competitiveness," he says.

Increased competitiveness also calls for internal operational changes. So, Yamada plans to strengthen R&D and localize his management staff. In line with this objective, the company recently opened the Denso Training Academy — the first of its kind in ASEAN — to train junior managers and skilled laborers.

"To be globally competitive, Denso has to employ more national workers instead of Japanese. Since we are expanding our business so rapidly worldwide, it is physically impossible to run our companies under Japanese management. We must have significant localization or else we won't survive," he explains.



Denso International Thailand Managing Director Yoshihiko Yamada

## A perfect partnership scores big in Southeast Asia

Thanks to investment incentives and appropriate support from the government, Thailand has emerged as the top producer of compressors in the 10-state Association of Southeast Asian Nations (ASEAN). And at the forefront of the industry in Thailand is Kulthorn Kirby, which manufactured the first hermetic compressors in the country more than 25 years ago.

When Kulthorn Kirby was established on March 24, 1980, the company did not expect growth to come so quickly and activities to spread so far. At that time, production capacity was initially at 500,000 units a year and 11 years later, the company is listed on the Stock Exchange of Thailand.

"When we began, I did not imagine the company growing to where it is today. Our factory space has grown from just 8,000 sq. meters to approximately, 70,000 (sq. meters) today. In 2005, we and our subsidiary KPC produced roughly 4.1 million compressors and we are on track to produce over 5 million units this year," explains company president Suraporn Simakulthorn.

Last year, Kulthorn Kirby exported 65 percent of its output to China, Asia, the Middle East, Oceania and the European Union. After expanding its production capacity last year, the company is on track to reach its goal of becoming a major international exporter and the market leader in ASEAN.

"In early 1980, there were many air conditioner and refrigerator manufacturers in Thailand but compressors had to be imported until we began production. Having local production of hermetic compressors is vital if the air conditioner and refrigerator industries in Thailand is to be more competitive and self-sufficient," says Simakulthorn.

The Kulthorn Group, made up of 10 companies, has a long history of successful American, Australian and Japanese partnerships. It tied up with Tecumseh and Kirby in 1980 to produce its first hermetic compressor in Thailand, with Mitsubishi Heavy Industries in 1988 to produce rotary compressors for air conditioners under the THACOM brand, as well as with Hitachi Powdered Metal in 1995 to make powdered metal components for air conditioners and the auto industry.



With its state-of-the-art facilities, Kulthorn Kirby is well positioned to become a major international exporter and the market leader in Southeast Asia.

In mid-2004, Kulthorn partnered with the Premier Group to form Kulthorn Premier Co. Ltd. (KPC) and purchase the Sanyo Universal Electric Co. compressor factory in Thailand. After a reorganization during its first year of operation, the company reported a profit.



Kulthorn Kirby President Suraporn Simakulthorn

American, Japanese and Australian partners and customers continue to build Kulthorn's business. In fact, Fujitsu General in Thailand, which produces about 2 million air conditioners a year, is Kulthorn's largest customer. Aichi Electric, a shareholder in affiliate Kulthorn Electric, imports electric motors to Japan.

"I would like to thank our international partners from the United States, Australia, and Japan. I believe we work very well together and I look forward to many more years of continued success," Simakulthorn says. "Thailand is a very different country today. We are living in a completely different world — a world without boundaries. In order to survive in this competitive world, Kulthorn will continue to produce products with the highest quality international standards at a competitive price and guarantee on-time delivery," he adds.

**"Thailand is a very different country today. We are living in a completely different world — a world without boundaries. In order to survive in this competitive world, Kulthorn will continue to produce products with the highest quality international standards at a competitive price and guarantee on-time delivery"**

## A farmer's tale

"I am not a hunter. I am a farmer." So goes Thai Yamaki Managing Director Kagaya Yuetsu's comparison of textile manufacturers and textile traders, the latter of which he refers to as the industry's hunters. "They are good at selling our product and we are good at making that product, and that's the way our business works."

And over the past 16 years, Thai Yamaki, one of Thailand's premier manufacturers and exporters of men's casual and formal shirts, has built a solid foundation and recently implemented steps to guarantee further success both inside and outside Thailand.

Within the company, Yuetsu has paid special attention to his local workforce of 700, of which 130 during the past two years have gone to Japan for training. Following the training in production and quality control that takes between one and two years, these employees found themselves communicating effectively with Thai Yamaki's Japanese engineers and prepared for assignment in any of the company's factories at home or abroad.

In recent years, the company has set up operations scattered across the region, from Bangladesh to Indonesia, Vietnam and Laos.

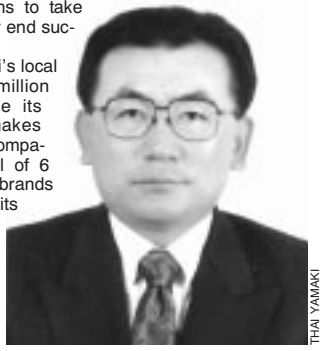
The Laos factory is Thai Yamaki's newest and is expected to produce 1 million pieces within the next three years. Meanwhile the Bangladesh plant holds the most potential as it could put out 1 million pieces every month within two years should negotiations to take over a newly built factory end successfully.

Currently, Thai Yamaki's local operations put out 2 million pieces each year while its Bangladeshi factory makes another 2 million. The company manufactures a total of 6 million pieces yearly for brands such as Elle, Arrow, and its own Louis & Clerk line.

Half of Thai Yamaki's shirts are exported to Japan while the other half goes to Europe, Asia and the United States. And it is that last market that Yuetsu is most excited about.

"I want to increase my exports to the U.S. Now, only 10 percent goes to the U.S. due to quotas. With our new factory in Laos, exports to the U.S. should increase tremendously. After six years of operations in Thailand, we have the experience to come into Laos and do very well. Because of this, I would like to see 50 percent of my exports go to the U.S. and Europe in the future."

But despite such ambitions, Yuetsu dismissed the possibility that Thai Yamaki would one day try its hand at manufacturing and trading. "No, no, no. I am happy with how things are. I want to be a farmer forever!" he stresses.



Thai Yamaki Managing Director Kagaya Yuetsu

## From strength to strength: The Thai economy sets the pace in Southeast Asia

For many years, the performance of Thailand's economy has impressed its neighbors and other countries around the world. Like many economies in the region, Thailand experienced a slow start toward progress. But, after more than a decade of consistent performance, the country seems to have finally found its momentum.

Recently, World Eye Reports interviewed Thai Finance Minister Thanong Bidaya and asked him to recap the past year and give his insights on what lies ahead for Thailand.

**WER: What are Thailand's most dynamic economic sectors and which of them will see the most growth over the next two to four years?**

Bidaya: With the recent increase in global energy prices, it is clear that the petrochemical industry has been doing well. If the global energy market continues with the present trend for several years, as many experts predict, I am certain that the oil and gas business will record very strong growth in the near future.

In addition, capital goods and high-technology industries have the potential for rapid

growth. Industries with high growth in the second quarter of 2005 were air conditioners, computers and hard disk drives, and commercial cars.

Those items were able to expand with sustained export demand. The conclusion of FTAs (free trade agreements) between Thailand and its partners in the future should open up greater opportunities for these businesses.

**How has Thai manufacturing responded to China's emergence at the forefront of manufacturing in East and Southeast Asia? And what advantages remain for foreign companies to manufacture out of Thailand?**

Thailand is a good location for foreign direct investment. The Thai government has allocated resources to support and assist foreign manufacturers through many agencies such as the Board of Invest-

ments, Department of Export Promotion and the Thai Chamber of Commerce.

The government offers tax incentives, support services and import duty concessions to an extensive list of promoted industries.

The private sector is adapting to the changing competitive climate. Though China has become a strong competitor, it is our market. Thailand can export products in which China has no competitive advantage and Thailand can establish niche markets. Our niche products include sophisticated, upper-middle-class products such as furniture, interior decorative goods and jewelry.

New investment promotion strategies have been adopted to enhance Thailand's competitiveness. Major investments in support of industries such as automotive, steel and power are expected to increase productive capacity immensely.

**What repercussions will the FTA with Japan have on the relationship between your two countries?**

The JTEPA is of mutual benefit. It will strengthen a strategic partnership between two countries not only through liberalization and facilitation of trade and investment, but also through greater mobility and interaction among our people, and cooperation in various fields, such as agriculture, education, science, technology, energy and the environment.

The JTEPA will provide greater business opportunities and an even more favorable environment for investors. It should send a strong and positive signal to Japanese investors and business-people that we are ready to facilitate Japanese investments as much as we can in all aspects.

**How important are Japanese economic relations to Thailand?**  
Bilateral trade in 2004 amounted to nearly \$36 billion

and was expected to grow over 15 percent last year.

Thailand could be a production base of Japanese domestic consumption as well as export to other countries in the region. Japan has the technology while Thailand has biodiversity and a strong workforce. Both countries therefore should work together.

Other areas in which Thailand and Japan can work together are energy and infrastructure.

**In which direction is Thailand hoping to lead the ASEAN (Association of Southeast Asian Nations) and the APEC (Asia-Pacific Economic Cooperation)?**

For ASEAN to continue being vibrant in the 21st century, Thailand shares with fellow ASEAN members the aspiration to see its integration as one community. The plans to

**"The JTEPA will provide greater business opportunities and an even more favorable environment for investors"**

## Roaring toward success

Continued from page B1

bolster domestic and foreign investment, the prime minister has entered into or initiated efforts to secure preferential trade agreements with some of the world's strongest economies, such as China, India, the United States, Australia, Mexico, New Zealand and Japan.

"We cannot evade globalization. We need to be aggressive in order to gain a better position," said Minister of Industry Suriya Jungreangkiet.

"When China entered the free market, many Thais thought we would lose business. Several years later, we have differentiated our products so that we no longer compete with China on lower-end products. With our FTAs with countries like China and India, we do not feel threatened. We see opportunity so long as we possess our niche markets."

One particular FTA that will play an integral role in shaping the economy's future is the Japan-Thailand Economic Partnership Agreement (JTEPA).

According to Atsuo Kuroda, the president of the Japan External Trade Organization



Atsuo Kuroda, president of the Japan External Trade Organization in Bangkok

land diplomatic relations.

"I am very confident that the JTEPA will be very beneficial for both countries. Thailand will become an even more important base for Japanese production, R&D, and sales, particularly in the automotive, electronic, and food processing industries," Kuroda said.

As Thailand wants to strengthen its domestic steel and auto industry, the bilateral agreement will gradually remove tariffs on OEM auto parts over a five-to-seven-year period.

The JTEPA includes plans for a Japan-built auto test track in Thailand, a technology transfer project to develop the Thai steel industry and a 10-year training program designed to educate 10,000 Thai technical and managerial personnel.

For Satit Sirirangkanont, secretary general of the BOI, bigger and better is expected for Thailand's future. "Come to Thailand. Let your success story begin here." ◆

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# A smooth transmission

As automotive and auto parts manufacturers began moving to Thailand during the past few years, Aisin AI Japan recognized the trend early and set up its first overseas manufacturing plant in Thailand in 2002. Rather than build from the ground up, the manual transmission maker acquired Mazda Engineering's plant in Chachoengsao province, which was completely equipped with the needed high-tech machinery.

"The technology for manufacturing manual transmissions is very complex and difficult. We were lucky to have it all in place," recalls President Fumio Nakagawa, whose primary objective was to be near the customer as competition for the domestic, European, and Australian markets grew increasingly stiff. Having enlisted Alliance Thailand (assemblers of Mazda and Ford) as customers, Aisin AI signed contracts with Toyota and Mitsubishi in early 2005. Naka-

gawa also expressed hopes to expand business and reach out to other major customers. To raise the morale and enhance the skills of its workforce, Aisin AI Thailand set up an overseas training program. Currently, 80 people, or 15 percent of the company's employees, have been sent to Japan for training. "They are very proud to have this opportunity and are very impressed with the high level of technology and systematic production in Japan," boasts Nakagawa, who brands the program a "win-win situation." "We have been making an effort to maintain close communications with employees in order to cultivate mutual respect for Thai and Japanese business cultures. It would be wonderful if both sides could find a common objective, achieve that and share happiness. Through this process, we would like to aim at becoming No. 1 in ASEAN," he continues. ◆  
www.aisin-ai.co.jp



Aisin AI President Fumio Nakagawa

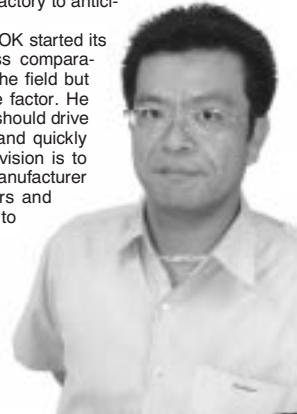
**'We have been making an effort to maintain close communications with employees in order to cultivate mutual respect for Thai and Japanese business cultures. It would be wonderful if both sides could find a common objective, achieve that and share happiness. Through this process, we would like to aim at becoming No. 1 in ASEAN'**

# Precision, proximity, process, products

Rarely are stories told of companies before their inception. Noriyuki Takahashi, managing director of NOK Precision Component (NOKPCT), was a member of the group that planned this overseas subsidiary of NOK Corporation of Japan. For that group, Thailand was the obvious choice for the location of its hard disk drive (HDD) components manufacturing facility.

"Manufacturing near the customer is important," says Takahashi, whose company sells its products to companies in Ayutthaya. More than 80 percent of the company's customers are Japanese (Hitachi, Fujitsu, TDK, Toshiba, to name a few) but Takahashi hopes to even that balance by increasing business with current and new non-Japanese customers like Seagate, Maxtor and Western Digital. "For the first two years, we focused on establishing the company and tried to improve the manufacturing system," Takahashi states. Today, his priorities are on growth and the continuous improvements on the process and products. In a business where precision and consistency are essential, process control is key for producing high-quality products. NOKPCT has been able to continuously refine its services, having received feedback from customers. Currently, almost 100 percent of its products are exported but Takahashi sees a lot of potential in the Thai market. He feels this is where much growth will come from in the next few years. Plans are

being drawn for a second factory to anticipate this expansion. Takahashi admits that NOK started its HDD components business comparatively later than others in the field but he views this as a positive factor. He believes that the late start should drive NOKPCT to continuously and quickly develop new items. "Our vision is to become a world-class manufacturer and to serve our customers and employees. My dream is to expand our reputation beginning right here in Ayutthaya," he states. ◆  
www.nokpct.com



Noriyuki Takahashi, managing director of NOK Precision Component

**'Our vision is to become a world-class manufacturer and to serve our customers and employees. My dream is to expand our reputation beginning right here in Ayutthaya'**

# The business of wellness: A look at spas in the 21st century

From the bustling streets of Bangkok to the pristine shores of the Andaman Sea and the picturesque hills of Chiang Mai, spas have sprung up all over Thailand. The growing global trend of wellness combined with distinctive Thai culture has brought about a unique hybrid spa experience in one of Asia's most popular tourist destinations.

With its tradition of natural healing arts such as ancient Thai massage, its natural springs, its abundance of medicinal flora and a reputation for excellent service, Thailand becomes a natural setting for the many facilities, modest and luxurious, that have appeared over the years. Wellness has become big business. With the significant increase in the number of spas around the country during the last few years, a group of spa operators, practitioners, trainers, suppliers and spa consultants founded the Thai Spa Association. As of 2004, it had 100 members representing this multimillion-dollar industry. Between June 2001 and June 2002, about 230 spa operators attracted a total of 3.3 million customers, of which 2.5 million, or 79 percent, were overseas clients. For that period, the industry contributed a total of \$85 million to Thailand's foreign exchange revenue. Around the world, successful spas offer a wider range of top-quality services and products, the right price, friendly and competent staff, as well as clean, relaxing and well-designed facilities. Readership surveys and polls conducted by leading international travel, leisure and lifestyle publications have cast their votes in favor of Thai spas, which have topped lists of leading spas since 1999. A reputation for outstanding hospitality and solid operating results that far exceed those of its regional competitors have made Thailand the spa capital of Asia. This is all good for the government's campaign to turn the country into the region's healthcare center with its hospitals, spas and

local herbal products. Having made a success in Asia, next on the agenda is the world. Hotel and resort spas lead the way in the growth of the local spa industry. An increasing number of hotel properties in Thailand will launch spa products in the coming years. Many more deluxe hotels are investing in new spa facilities and will be offering in-house lines of spa products and services. World-weary tourists come to Thailand to experience an exotic culture and explore well-preserved natural wonders, both excellent reasons to visit. But for a unique kind of trip, these travelers should include visits to a spa. Whether the spa is nestled on a hill or overlooks a beach, a stressed-out visitor will leave feeling recharged and ready for another dose of the real world. ◆



With its long tradition of natural healing and ancient massage, Thailand's spas have lured thousands of visitors pursuing a heightened sense of well-being.



CROWN PLAZA

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# It's all in the chemistry

Bigger is almost always better in this world of continuing economic globalization and this trend has not escaped many companies reaching for the top.

In Thailand, two major players in the petrochemical and chemical sectors — National Petrochemical (NPC) and Thai Olefins (TOC) — recently joined forces to form what has become the country's biggest and Asia's third-largest producer of olefins and related downstream goods.

Although NPC and TOC were subsidiaries of the PTT Group, they had different corporate cultures and business strategies. But, PTT Chemical President Aditheb Bisalbut is highly optimistic about the merger, believing that TOC's boldness and NPC's conservatism will complement each other.

"The blending of the strengths of NPC and TOC will create a great synergy that will make it a great regional player. We target to be in the top 10 in the Stock Exchange of Thailand (SET)," he says.

Following its very successful initial public offering, PTT Chemical has emerged as the largest petrochemical company in the SET based on market capitalization and intends to become the gas-based petrochemical flagship company of the PTT Group.

"We expect operations to increase production by 8 percent next year," says Bisalbut, who expects revenues to reach \$1.5 billion in 2006.

Having drawn up its short- and long term plans, PTT Chemical will diversify and also manage its risks so that the company can stabilize income levels and minimize losses during the down cycle of the upstream processes.

Aside from making olefins, PTT Chemical produces a wide range of downstream petrochemical products, including polyethylene, ethylene oxide and ethylene glycol. The diversity in downstream products adds value to the company's olefins and minimizes risk because price and business cycles for downstream products differ from those for upstream.

"We foresee a down cycle in the coming year so we have issued a \$300 million bond over a 10-year period. This gives us good liquidity with our business," Bisalbut explains. "We will be able to invest in a project like a new cracker and some of the new polyethylene business."

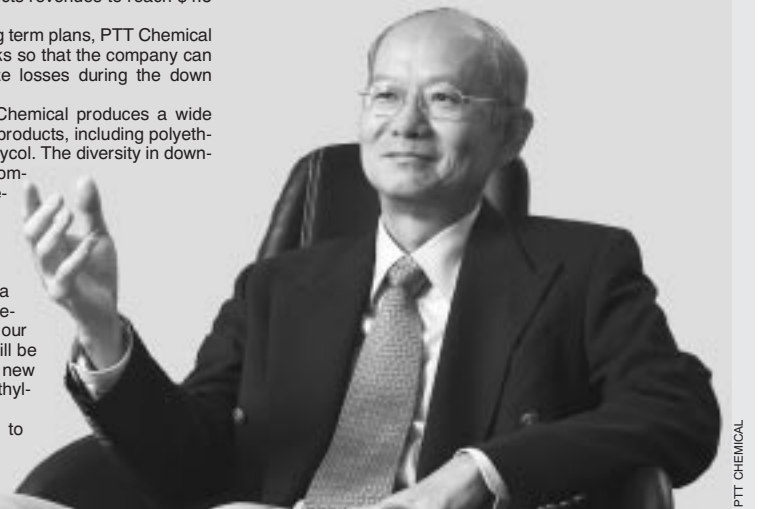
Meanwhile, Bisalbut is prepared to meet any challenges in the future, having worked in the industry for many years. "In this mar-

ket, the view has to be long term especially when looking at a plant. You have to make decisions without being able to see (the problems). If you make the right decision, you will know it four years later. It's about projection," he says.

As with all new companies, Bisalbut hopes the new image will increase consumer confidence in their products and services, as well as in their commitment to preserve the environment.

"We have experience in doing business and are a reliable producer. I hope this reminds our investors that we are looking after them. We take our products' impact on the environment very seriously," he says.

Although it has established strong exports to China and the United States, PTT Chemical plans to expand its business on a more global scale. With combined potential output of about 1.52 million tons a year, the company is clearly well equipped to take on the world market. ◆  
www.pttchem.com



PTT Chemical President Aditheb Bisalbut

**'We have experience in doing business and are a reliable producer. I hope this reminds our investors that we are looking after them'**

## THAILAND

Land area: 514,000 sq. km.  
Total population: 65.24 million

Currency: Thai baht (฿)

Average exchange rate:  
\$1 = 40.2 (2004 average)

Total GDP: \$163.5 billion (2004)

Real growth: 6.1% (2004)

GDP per capita: \$2,534 (2004)

Inflation: 2.8% (2004)

Unemployment: 2.1% (2004)

Total exports: \$96.1 billion (2004)

Total imports: \$85 billion (2004)

Top exports: Machinery and mechanical appliances (13.4%), electrical apparatus for circuits (13.0%), computers & parts (9.3%), electrical appliances (8.7%)

Top imports: fuel & lubricants (13.9%), electrical machinery (10.7%), nonelectrical machinery (10.2%), base metals (9.7%)

Main export markets (% share): ASEAN (21.7%), U.S. (15.9%), EU (14.5%), Japan (13.9%), China (7.3%), Singapore (7.1%)

Main import markets (% share): Japan (23.5%), ASEAN (16.6%), EU (9.8%), China (8.5%), U.S. (7.6%), Taiwan (7.2%)



Source: The Economist Intelligence Unit

# The Thai auto industry gets a boost

As Thailand strives to become the "Detroit of the East" through the implementation of various investment incentives, more automakers have moved to the country, making it the world's 15th-largest vehicle producer and Southeast Asia's largest.

In fact, Thailand is the world's second-largest market for pickup trucks after the United States and exports these vehicles to more than 100 countries around the world. IHI Turbo in Thailand is among the biggest suppliers of components for this very popular type of truck.

"Our turbochargers are produced in Thailand but used in vehicles around the world, which is great for our company and the awareness of our products," says President Koji Ojiri, whose clients include Toyota, Mazda, Isuzu, Mitsubishi and Nissan.

To meet the increasing demand for pickup trucks in Thailand and around the world, IHI Turbo built a new factory last year, which began production in August 2005.

"In 2005, we delivered our 1 millionth turbocharger, which is an exciting milestone for us. We currently have the capacity to produce 800,000 units a year; and our goal is to reach 1 million units by 2010," says Ojiri.

IHI Turbo Thailand, which was the first company in Thailand to produce turbochargers, is the undisputed market leader for these components in 1-ton pickup trucks and expects to have a 100 percent market share by the end of 2006.

Last year, the company began exporting components to IHI Japan. This remains a small part of its business but it is expected to grow more in Japan and eventually in China. Ojiri intends to expand component exports to the IHI Group to about 30 percent of total turnover within the next few years. ◆  
www.ihit-turbo.co.th



IHI Turbo Thailand President Koji Ojiri

**'In 2005 we delivered our 1 millionth turbocharger, which is an exciting milestone for us. We currently have the capacity to produce 800,000 units a year; and our goal is to reach 1 million units by 2010'**

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www.worldereports.com / THAILAND

# Following the global paper trail

A huge part of global manufacturing may have transferred to China during the past decade but some companies have recognized the benefits of moving and staying in Thailand, which is home to the second-largest number of overseas Japanese subsidiaries.

On its 10th anniversary in Thailand this year, Oji Paper (Thailand), a subsidiary of one of the top 10 paper manufacturers in the world, has reason to celebrate the milestone, having become the country's biggest producer of carbonless paper with a 50 percent market share.

Currently, the company is able to produce around 50,000 tons of paper products per year and exports its carbonless copy paper, thermal paper and pressure-sensitive paper around the globe, with Asia showing the best prospects.

"The demand for carbonless paper is decreasing in Japan, the United States and the European Union but we are seeing growth in Asia and the Middle East. Our company is in a very good situation. We have seen record sales over the last few years and our business is growing, therefore it is high time for us to think about the next expansion steps," says Managing Director Yasuhiro Kii.

Meanwhile, Oji Paper plans to invest \$1.8 billion into a plant in China that can produce 1.2 million tons of paper products a year. When completed, it will be the largest single investment in China by a Japanese company.

"In addition to projects in China, I would like to see the company expand in Thailand as soon as possible. I feel that in the future we will need to expand on production of information paper such as carbonless copy paper, thermal paper and pressure-sensitive paper in Thailand," explains Kii.

"For our products, Thailand is one of the best locations for exporting worldwide. I would like to see us expand our business in Southeast Asia, especially in Thailand. With further minimal investments in Thailand, we can provide a very good contribution to the Thai economy and to Oji Paper's profit," he adds.

"The demand for our products is approximately 30 percent higher than our capacity. The market is in our hands," says Kii. [www.ojipaper.co.jp](http://www.ojipaper.co.jp)



Oji Paper Thailand Managing Director Yasuhiro Kii

# Standing on a firm foundation Engineering beyond borders

For Toyo-Thai Corp. President and CEO Hironobu Iriya, the ability to change or be flexible is what guarantees his company's success.

Over the past 20 years, Toyo-Thai has provided engineering, procurement and construction (EPC) turn-key solutions inside and outside Thailand. With annual sales ranging between \$80 million and \$90 million, and a staff of almost 700, Toyo-Thai caters to medium-scale petrochemical, chemical, oil and gas, fertilizer and power plant projects.

"We are very flexible to our clients' needs. We do not employ subcontractors for engineering. So if the client wants to make a design change, we can do it easily with little time lost to negotiation. Engineering, after all, is 'changeneering.' It is our clients who evaluate our performance. If it is negative, we cannot get the next job. If it is positive, we can get a repeat order," he claims.

Iriya strongly believes that the ability to change is a major reason Toyo-Thai has received repeat orders over the years from several clients.

Its longstanding ties with oil and gas giant PTT and a joint venture with the National Petrochemical Company (NPC) have given Toyo-Thai an edge among contenders for petrochemical and oil and gas projects. Currently, 70 percent of its business is domestic while the remaining 30 percent is international.

"As for the international market, we have an existing project with Shin-Etsu Engineering in the United States and a polyurethane project with Bayer in China. We have a fertilizer project in Bangladesh and a joint calcium carbonate project in Vietnam with our subsidiary Toyo-Vietnam, and are putting together a proposal for a latex project in Cambodia as well. The Middle East, specifically Qatar, holds lots of potential," Iriya says.

"Our mission is to be a high-efficiency international engineering company. This means we want to compete with global companies for international projects. That is why we want 50 percent or more of our future projects to be global," he adds.

In Thailand, Iriya is focused on expanding Toyo-Thai's workforce to 1,000 personnel or an equivalent of 250,000 man-hours per month. With this objective, Toyo-Thai will be better prepared for more and bigger projects.

Iriya recognizes that the company relies heavily on its engineers — the reason behind 36 percent of Toyo-Thai's ownership being distributed among its employees.

"We are an engineering firm. So our engineers are our most valuable asset. If we lose engineers, we lose our competency."

The most important thing is to keep our people happy. What I always preach is the joy of engineering and achievement. Money is not the final target for Toyo-Thai; engineering and achievement are. If you like what you do and you do that well, money will follow," he says. [www.toyo-thai.com](http://www.toyo-thai.com)



Toyo-Thai Corp. President and CEO Hironobu Iriya



Toyo-Thai's management board: (seated from left) Tiwa Jaruke (VP — Proposal, Engineering), Piriya Wongphayabal (VP — Project Procurement and Sales), Hironobu Iriya (President & CEO), Bundith Chiraphandhu (Senior VP), Suvit Manomaiyanon (Director & General Manager — Sales & Contract Division); (standing from left) Suratana Trinratana (General Manager Project Division), Yukio Kobe (Deputy General Manager — Administration Division), Saneh Poorisat (General Manager — Engineering Division), Chatree Pooyongyooth (Director & General Manager — Procurement Division and Director — Engineering Division), Pornchan Katejulasriroj (Deputy General Manager — Engineering Division)

# Working on another 100 years

Japanese business has long been welcomed and respected in the Kingdom of Thailand. One does not have to look further than Mitsui & Co.'s 100-year history in the country for proof of that.

Since 1906, Mitsui's core activities have evolved from basic commodity trading to on-the-ground domestic joint ventures in various fields from steel to plastics and petrochemicals.

"In the past, trading houses would facilitate Japanese companies looking to Thailand for business. Now they can do this themselves. So trading companies are wiser to invest in local companies with our R&D and technological know-how" says President Kenji Shirasaki, who is in his second term as the company's head in the country.

Upon assuming his new term, Shirasaki identified three priority areas to address — internal, domestic, and international. "I wanted to further educate and foster our Thai national staff to be competent managers while at the same time better employ our Japanese employees," he says of the first area.

On the domestic front, Shirasaki points out that Mitsui has since cleaned up bad investments from the past but needs to invest more in Thailand, especially with the upcoming Japan-Thailand EPA.

Mitsui's Thai operations have grown in profile also. "We are not only responsible for Thailand but for its neighboring countries. Reflecting this, as of April 2005, Mitsui Thailand is the company's regional headquarters," he also says.

Locally, Mitsui works with government initiatives, particularly with a \$425 million program to develop infrastructure, in which



Mitsui & Co. Thailand President Kenji Shirasaki (left) with Noboru Katsu, executive vice president and general manager for the steel division

the company sees opportunities in the electricity and transportation sectors, among others.

Outside the country, a Mitsui subsidiary recently discovered four oil and one natural gas wells in Cambodia. It has teamed up with Chevron to drill these wells.

Shirasaki, also the president of the Japan Chamber of Commerce (JCC), sees great potential in Thailand. But he realizes that Thailand, with its continuously declining birthrate, needs to work closely with more populous neighbors to become a leading manufacturing hub.

"In the future, I'm sure Thailand will face a shortage of workers. Without the aid of neighboring countries, Thailand will not develop. Once these other countries develop, Thailand's development will be all the more stronger and quicker." [www.mitsui.co.jp](http://www.mitsui.co.jp)

*'Thailand is one of the best locations for exporting worldwide. I would like to see us expand our business in Southeast Asia, especially in Thailand. With further minimal investments in Thailand, we can provide a very good contribution to the Thai economy and to Oji Paper's profit'*

*'In the future, I'm sure Thailand will face a shortage of workers. Without the aid of neighboring countries, Thailand will not develop. Once these other countries develop, Thailand's development will be all the more stronger and quicker'*

# Keeping things moving in Thailand

Bigger and better is still to come for Thailand's construction industry, according to Worachak International Co. (WIC), the domestic retailer and maintainer of Mitsubishi elevators and escalators in the country.

Worachak International should know. The company has been very busy with high-profile projects that include the Bangkok Mass Rapid Transit and the new Suvarnabhumi airport.

"In the near future, I believe the number of units that WIC sells will increase. Thailand has a present demand of 2,000 elevators with a population of about 60 million. Japan has twice the population with demand of about 20,000. As you can see, in Thailand, demand is insufficient for the population. For Worachak and Mitsubishi Elevators, this means we have room to grow," says Managing Director Hidetoshi Kan.

Since the 1997 Asian currency



Worachak International Managing Director Hidetoshi Kan

crisis, WIC's secured units have skyrocketed from 300 units to 600 units last year. In 2005, WIC expects to sell more than 600 units, again grabbing for the fifth straight year the largest market share of over 30 percent.

With the Suvarnabhumi airport project requiring more than 100 escalators and BTS Skytrain and railway extensions on the negotiating table, the company's market position looks very secure.

For Kan, WIC has maintained its strong position because of the quality of Mitsubishi's products and the ideal location of Mitsubishi factories.

"About half of our customers are repeat customers. Many architects and contractors trust the Mitsubishi name. Mitsubishi is different from its competitors as we have a local factory, whereas the others are based in other countries. This quickens our delivery time, which is very important to our clients," he explains.

For now, Kan is highly content with the performance of WIC. In the future, he wants to bring together WIC and Mitsubishi Electric much closer and see the two companies reach higher levels. [www.wic.co.th](http://www.wic.co.th)

*'About half of our customers are repeat customers. Many architects and contractors trust the Mitsubishi name. Mitsubishi is different from its competitors as we have a local factory, whereas the others are based in other countries'*

# Old player, new game

Tetsushi Ishizuka is smiling. As Itochu Corp.'s general manager for the Indochina region and Itochu Thailand's president, he is quite content with the direction the Japanese *sogo shosa* (general trading firm) has taken in Thailand.

Upon taking over in 2003, Ishizuka's mission was to build on Itochu's traditional business practice of exporting goods from Thailand to Japan. He found that although Itochu had an extensive history in Thailand, it had never aggressively pursued business aimed toward the local Thai market.

Within Thailand's food sector, Itochu was always involved in the upper stream of growing and exporting produce. With this in mind, Ishizuka expanded Itochu's activities to include downstream operations on the retail level.

"Now we have flour, sugar, and starch mills and intermediate businesses to process these goods and retail operations — from convenience stores to restaurants — to sell these goods. Other trading firms are not involved in the food industry all the way down to the retail level," he says.

Ishizuka recognized Thailand's manufacturing sector needed to be balanced by an improvement in its land, air and sea logistics services. Itochu filled the need by expanding its provision of parts and logistics to the automotive sector, collaborating on the logistics side with Thai Airways on air cargo at the soon-to-open Suvarnabhumi airport, and shortening transport times between central and southern Thailand through the use of sea carriers.

Itochu's new business practices were not domestically confined, either. Being chairman of the Japanese Chamber of Commerce's Greater Mekong Subregion (GMS) Committee, Ishizuka recognized Thailand's strategic location and has since expanded Itochu

(Thailand)'s activities outward. "Thailand is the engine for the GMS — Thailand, Vietnam, Cambodia, Laos, Myanmar and China's Yunnan province — also known as the baht economic zone. Being based in Thailand, Itochu has the golden opportunity to work within these countries," he says.

Due to recent improvements, Itochu Thailand looks to a bright future, indeed a good reason to smile. [www.itochu.com](http://www.itochu.com)



Tetsushi Ishizuka, Itochu Thailand's president and general manager for Indochina

# From strength to strength

CONTINUED FROM PAGE B2

create an ASEAN Security Community ASEAN Economic Community and the ASEAN Socio-cultural Community have been adopted.

We would like to see the ASEAN Charter that, when completed, would serve as the association's legal framework and would contribute to achieving the ideal of having an ASEAN Community.

While the intensified integration of ASEAN is progressing, we do not want to see an ASEAN that is an exclusive, shut-in, inward-looking entity. Thailand has the vision of ASEAN as an active, open, significant player in the region.

On APEC, the core principle of the forum since the beginning is: prosperity through investment and trade liberalization. Thailand adheres to this principle. However, a new dimension that Thailand has introduced is the human face of globalization. We would like

APEC to pay attention to social issues.

**What were the positive lessons gathered from the devastation and tragedy of the 2004 tsunami?**

One lesson that can be learned from this calamity is to be prepared. Since the tsunami, Thailand has been active in creating early-warning systems and supporting international networks of cooperation on this matter. We are confident now that, with all systems in place, we will be more ready if the next calamity should hit us.

The other lesson, in the face of natural calamities such as the tsunami and Hurricane Katrina in the United States, is that the people of the world realize that humanity is one and respond to the suffering of fellow humans accordingly. We in Thailand would like to thank all, including the Japanese who gave us donations, for their response. [www.aseansec.org](http://www.aseansec.org)

## Keeping Thailand's food industry safe

As Thailand aims to become "The Kitchen of the World" through aggressive government initiatives, many companies from around the world are heading to the country to join the booming food industry here. And business could not be better for MYCOM, a leader in refrigeration and freezing technology established in Japan in 1924 that began operations in Thailand in 1988.

"In Thailand's food industry, MYCOM is known as an overall engineering company that focuses on the production, supply installation and servicing of refrigeration equipment. Since 2004, MYCOM has steadily expanded its business in the food processing industry. The company assembles main components for its IQF (Individual Quick Freezing) freezers locally," says Managing Director Satoshi Yaguchi.

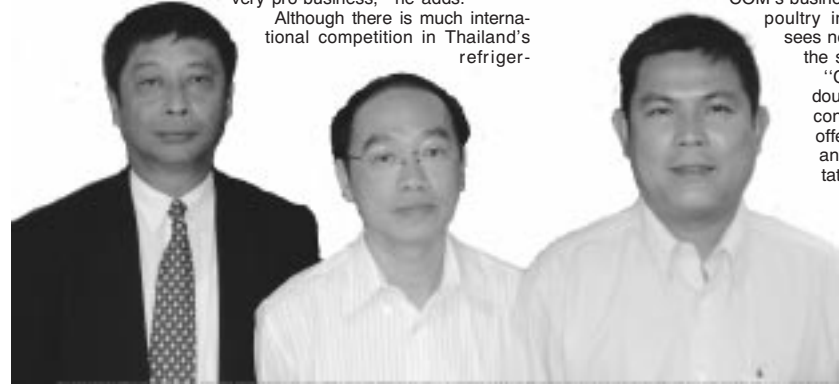
"Thailand is in a very good position to expand its food industry since the quality of labor is excellent, labor costs are reasonable, the country's infrastructure is very good and the government is very pro-business," he adds.

Although there is much international competition in Thailand's refrigeration industry, MYCOM holds an edge because it is the only Japanese company in the sector and has a large market share.

"We even cooperate with local refrigeration companies when necessary. I am confident that MYCOM will continue to play an important role in this market because we are very supportive of our customers. Customer service is one of our greatest strengths," he says.

With the increase in cases of bird flu across Asia, only cooked products can be exported from Thailand to Japan, the United States and Europe. Before the bird flu epidemic, a bulk of MYCOM's business in Thailand came from the poultry industry. The company now sees new opportunities for growth in the seafood industry.

"Our company revenues have doubled since 2000 and we are continuing to grow. Our goal is to offer the very best solutions at any time and enhance our reputation with customers. Needless to say, we also want to increase our market share. We are very optimistic about business because of the many FTAs (free trade agreements) that Thailand is putting in place. This will give us an opportunity to export equipment from Thailand to other countries," he emphasizes.



Somchai Minratanakorn, accounting and general affairs manager of MYCOM Thailand (left), with MYCOM Managing Director Satoshi Yaguchi (center) and Sales Manager Anuwat Sommai

*'I am confident that MYCOM will continue to play an important role in this market because we are very supportive of our customers. Customer service is one of our greatest strengths'*

## A newcomer steels the thunder

Aptly named after its incorporation shortly following the turn of this century, Millennium Steel is a 3-year-old company making a name for itself in the global market. Once part of the Siam Cement Group, it is the largest long steel producer in Thailand and aims in the long term to be "the first choice of customers."

Company president Santi Charnkolrawee, who has been with Millennium Steel since Day One, knows how to achieve that goal. As its customers consider its commodity items (mainly used in construction) to be premium products, Charnkolrawee intends to focus on the other product category — specialty products for the automotive sector.

"My target is to have an even split between commodity and specialty products within three years," he says. "We would like to be the pioneers of specialty steel. We are able to meet the high standards of the Japanese and supply the automotive industry here in Thailand."

Millennium Steel's customer list includes the likes of Honda motorcycles and the company is looking to increase its export volume into neighboring countries like Indonesia, Vietnam and Malaysia. Charnkolrawee is looking forward to competing with Taiwan and South Korea for global business.

Millennium Steel operates three factories in the provinces of Saraburi, Chonburi and Rayong, and Charnkolrawee is proud of the steady growth reached in a short time. "Last year, our sales were somewhere around 900,000 tons and that is increasing this year to over 1 million. Next year, we are looking at 1.2 million tons," he says.

Meanwhile, what has been most important to Charnkolrawee is Millennium Steel's contribution to the Thai steel industry. He explains that developing higher-grade steel will create a win-win situation for the company and the country as stronger materials will take Thailand and its structures well into the 22nd century.

*'We would like to be the pioneers of specialty steel. We are able to meet the high standards of the Japanese and supply the automotive industry here in Thailand'*

www.millenniumsteel.com



Millennium Steel President Santi Charnkolrawee

## Sowing the seeds of success

Starting as a small grocery store called Hiap Seng Chiang in 1942, Saha Pathanapibul has expanded into a huge conglomerate that produces and distributes, just to name a few, agricultural goods, cosmetics, food and beverages, household and personal care products, and textiles across the ASEAN region.

Chairman Boonsithi Chokwatana, a second-generation descendant of the company's founder, spent the first six years of his early career in Japan sourcing products for his family's stores back in Thailand. That phase marked the start of a relationship with Japanese companies that has only grown stronger over the years. In the past 40 years, the Saha Group has formed partnerships with Japanese giants such as Meiji, Nissin, Lotte, Shiseido, Wacoal Corp. and Lion Corp.

### A partnership with just the right fit

Thai Wacoal Public Co., a joint venture between Wacoal Japan and the Saha Group that goes back 35 years, has remained a very successful endeavor. It was the first company to manufacture ladies lingerie on an industrial scale in Thailand.

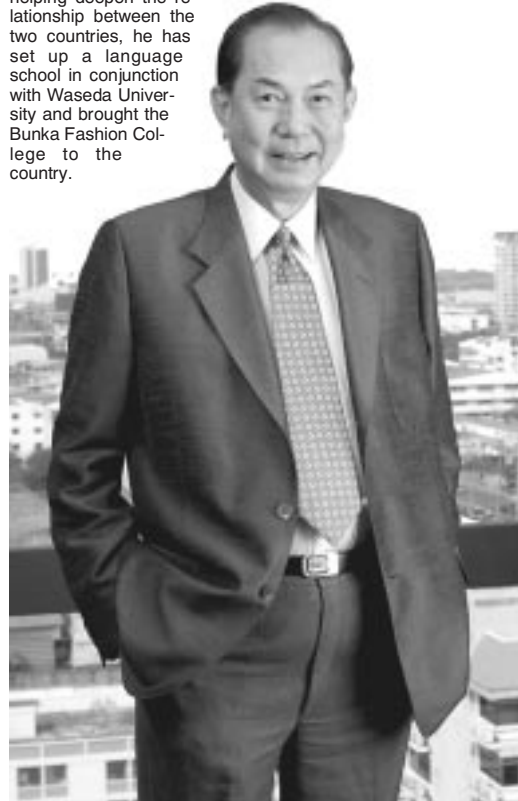
President Manu Leelanuwatana pointed out the company has shifted its focus from volume to value and concentrates on markets with better prospective returns in line with its goal to improve its product.

With four production facilities in the country with over 6,000 employees and 10,000 sewing machines, Thai Wacoal has made joint investments with world-leading manufacturers such as Asahi Kasei Fiber Corp. (Thai Asahi Kasei Spandex) to produce raw materials for lingerie.

"We have been able to achieve double-digit growth in the past few years and I expect our group to have a minimum of 7 percent growth next year. We are looking at expanding in the Mekong area for manufacturing and distribution," an optimistic Chokwatana says.

The company's ability to keep up with the ever-changing business environment is perhaps attributed to the family's work ethic, which is characterized by flexibility, courteousness, consistency, solid teamwork, unity and order.

Chokwatana feels a strong sense of responsibility for Thailand and values his company's relationship with Japan. In helping deepen the relationship between the two countries, he has set up a language school in conjunction with Waseda University and brought the Bunka Fashion College to the country.



Saha Group Chairman Boonsithi Chokwatana

### Aiming for the top shelf

As stakes are raised in the battle of brands, Thai-Japanese joint venture Lion Corp. has refined its marketing strategy as customer habits change, standards of living improve and technology continues developing.

Managing Director Boonyarith Mahamontri says Lion Corp., in line with a "technology for health" mission, will develop products that provide extra benefits for consumers and will pursue marketing activities for better product placement on store shelves.

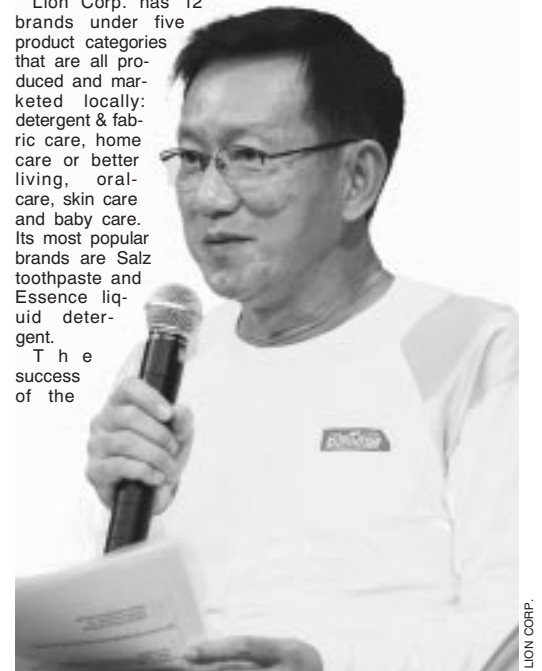
"We have to be more active directly with consumers because we can no longer rely on customer loyalty. Some 60 percent of consumers change their minds while shopping," Mahamontri says.

"Quality of life is constantly improving and the population is growing. Focus has shifted to personal needs. Higher incomes and

smaller families mean that they take better care of themselves. They expect better health conditions and products, and we can provide that," he adds.

Lion Corp. has 12 brands under five product categories that are all produced and marketed locally: detergent & fabric care, home care or better living, oral care, skin care and baby care. Its most popular brands are Salz toothpaste and Essence liquid detergent.

The success of the



Lion Corp. Managing Director Boonyarith Mahamontri

growth plan looks certain as Mahamontri knows the company very well (He has worked with Lion Corp. since its establishment in 1967) and enjoys the support of the two partner companies — Lion Fat and Oil Co. of Japan and Saha Pathanapibul Public Co. of Thailand.

Charting Lion Corp.'s long-term growth, Mahamontri is planning an expansion of its export business and diversifying its business. Its export markets, which account for 10 percent of turnover, are Japan, Hong Kong, China, United States and ASEAN (the Association of Southeast Asian Nations).

"To strengthen our business, we have invested in five upstream industries: Well Pack Innovation (plastic containers), Eastern Silicate (production of sodium silicate), Thai Silicate Chemical (a joint-venture with Mizusawa Co. that produces Zeolite) and Likitomi Thailand (manufacturing of corrugated boxes). We have plans to expand into the over-the-counter (OTC) business by next year," he says.

www.sahapat.co.th; www.wacoal.co.th; www.lion.co.th

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# Getting preferential treatment in Thailand

With costs six times lower than in Japan and three times lower than in Singapore, medical care for foreigners has become a key component of Thai Prime Minister Thaksin Shinawatra's economic growth program. With its strategic location, excellent equipment, highly skilled staff and Western-trained doctors, Thailand is increasingly becoming Asia's medical hub.

In the capital, Bangkok Hospital and Bumrungrad Hospital enjoy the most international prestige. But, a new hospital, backed by a veteran in medical care, has been increasing its profile in this burgeoning field of medical tourism.

The Rajthanee Group, which owns more than 20 hospitals in the country, launched the 400-bed Piyavate Hospital as its flagship facility geared toward international patients. Of all its patients, 50 percent are foreigners or expatriates, the majority of whom are from Europe and the Middle East.

When it takes six months for a Briton to secure an appointment for an MRI (Magnetic Resonance Imaging), high-quality care and prompt medical attention elsewhere becomes the preferred option. This is one need that Piyavate Hospital fulfills. Then, there are patients from the United States and China, where costs can be as much as 10 times higher because of the absence of universal medical care.

"When international patients come to Piyavate, they are very impressed at how they are treated. Naturally, they miss their homes, so we try to make them feel comfortable by personalizing their treatment and environment, all at a cost much lower than what they are used to. In terms of value for money, Bangkok really is the best," points out Dr. Boon Vanasin, chairman of Piyavate Hospital.

Despite its lower costs, Piyavate has not compromised on the quality of its care and treatment. It has tied up with many prestigious hospitals in the U.S. (including the University of Massachusetts, The Mayo Clinic, The University of Chicago, and Stanford University) wherein they send doctors to Piyavate several times a year to hold consultations, conduct operations and teach. And, half of its staff have earned Ph.D.s. or internships in the U.S.

Like in most industries, reputation and connections differentiate the winners from the losers. And in this new sector, The Rajthanee Group does not cease to impress.

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Piyavate Hospital Chairman Dr. Boon Vanasin

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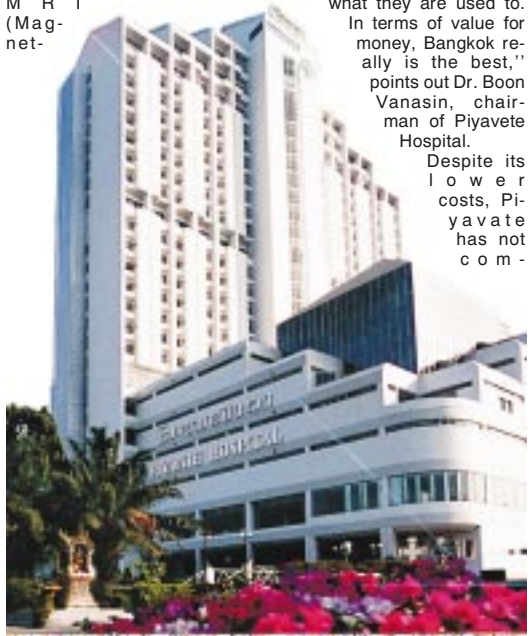
international patients. Connections, after all, are very important in this field and in this part of the world," says Vanasin.

Although primarily a hospital, Piyavate intends to become a medical research center in ASEAN, just like The Mayo Clinic in the U.S. To achieve this goal, according to Vanasin, Piyavate's doctors should be trained by foreign specialists on state-of-the-art procedures in complex fields such as cancer care.

As proof of its dedication to research, Piyavate Hospital was recently selected to stockpile the bird flu vaccine in Thailand.

Despite its strong commitment to advanced medicine, Piyavate has not dismissed its belief in alternative medicine. The group is building a 20,000-sq.-meter medical spa (the largest in Bangkok), which will offer Chi Gong, meditation, natural anti-ageing and chiropractic services that, Vanasin believes, will attract many Japanese patients.

"Our hospital does not have translation and food services that Japanese patients are looking for. We know, however, that the Japanese appreciate alternative medicine. Our medical spa will be completed in a year's time. By the end of it all, it will be one of the largest and most well-equipped medical spas in the world," he says. ♦ [www.piyavate.com](http://www.piyavate.com)



The world-class facilities of the Piyavate Hospital in Bangkok have been attracting a growing number of patients looking for affordable top-quality medical treatment.

# A little more of that human touch

As the Thai government pushes healthcare as a key component of economic growth, many hospitals in Bangkok have upgraded their facilities and services to accommodate an increasing number of foreign patients in search of low-cost but high-quality medical care.

Samitivej Hospital, which operates four hospitals in the Thai capital, renovated its Sukhumvit facility in 2002 to target a Japanese market as the number of Japanese patients grew. Each day, the hospital takes in an average of 240 Japanese outpatients or about 15 percent of its total outpatients.

"We are the No. 1 healthcare provider for Japanese residents in Thailand. Our location in the middle of Bangkok's 'Little Tokyo' and our approach of providing care and not just selling medicine or selling treatment, have been contributing factors to this," explains Managing Director and CEO John Lee Koh Shun. Lee sees great growth potential for the Samitivej Group's three other hospitals — Srinakarin, Sriracha and BNH Hospital — to attract more Japanese patients. In fact, the group renovated its Srinakarin and Sriracha facilities in eastern Bangkok to accommodate more Japanese.

"Staying in Bangkok is like staying in Tokyo. You stay in apartments. I'm sure there are Japanese families who want to live in houses and since Sriracha is the biggest Japanese town outside of Bangkok, more and more families will eventually move there," Lee says.

Initially established as a general hospital, Srinakarin transformed itself into Thailand's first children's hospital, the first such facility in Southeast Asia. Currently, half of its patients are children.

While Sriracha is located close to the majority of Japanese companies on the eastern coast, BNH Hospital is near many Japanese corporate offices and walking distance from Thaniya Street, one of the premier areas in Bangkok for Japanese-gear entertainment.

Although medical care in Bangkok costs three times lower than that in



Samitivej Hospital in Bangkok boasts not only a recently renovated wing shown here but a multilingual staff and the latest medical equipment.

Singapore, where many Japanese companies choose to send their executives for treatment and checkups, price has not been the main reason that more Japanese patients prefer to go to Bangkok.

"What the Japanese are concerned with, which Samitivej possesses, is quality compared with price or value-for-money. This is extended to all three Samitivej Hospitals as well as BNH Hospital. As I compare healthcare in Singapore, Malaysia and Hong Kong over time, our quality and value-for-money will make us second to none," Lee says.

Although the Japanese are its main target group, Samitivej intends to adopt the best standards and practices from all over the world.

"We compare our cleanliness to Japanese hospitals, which are world renowned for their cleanliness, while our décor is based on American hospitals, which are known for their home-like interiors. Added to our multilingual staff, we want all nations to know we can accommodate them under the highest of medical standards on all fronts," Lee says.

But, Samitivej knows that state-of-the-art equipment cannot solely replace old-fashioned bedside manners. "In this day and age, more and more medical responsibilities are being shifted from doctors to machines. At Samitivej, we want to take the technological lead while maintaining and emphasizing human interaction. We want to be known as the 'human touch hospital' because we care," he adds. ♦ [www.samitivejhospitals.com](http://www.samitivejhospitals.com)



A knowledgeable and friendly staff, complemented by world-class medical care, has strengthened the reputation of Samitivej Hospital as a top-notch facility in Asia.

# Making the good life even better

From busy meetings to relaxing massages, the Crowne Plaza Karon Beach in Phuket offers something for every traveler. Just 45 minutes away from Phuket International Airport, the newly refurbished resort has a wide range of modern amenities in a relaxed environment to suit every visitor. Be they toddlers or adults, all guests are well taken care of by the hospitable staff of this sprawling property.

The well-designed space accommodates casual meetings in its open-air lobby, bar, or restaurant as well as formal conferences in its fully equipped function rooms. There is wireless Internet access throughout the hotel and each guest room is equipped with satellite television and a two-line phone with voice mail.

For the beach-lovers, the shore is only a five-minute walk from the main building. Facing the west, Karon Beach is the perfect location to watch the sunset over the ocean. Another option is to grab a tuk-tuk and go beach-hopping along the coast.

Back in the resort, the Tea Tree Spa offers a full menu of services for



Crowne Plaza's poolside bar and large swimming pool is the perfect place to cool down within the resort's premises.

<p>Chlor-Alkali Plant (Phase II) THASCO Chemical Co., Ltd.</p>	<p>Polybutadiene Rubber Plant Thai Synthetic Rubbers Co., Ltd.</p>
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<p>22nd Floor Serviced Tower, 159 Sukhumvit 21 North Khlongtoey, Watana Bangkok, 10110 Thailand Tel: +66 (0) 2260-8585 (20 lines) Fax: +66 (0) 2260-8125-6 <a href="http://www.ttcpl.com">http://www.ttcpl.com</a> Contact Person: <a href="mailto:ttcpl@ttcpl.com">ttcpl@ttcpl.com</a></p>	<p>Styrene-Acrylate (SBA) Bayer Thai Co., Ltd.</p>

discerning spa-goers while fitness enthusiasts will enjoy the fully equipped fitness center as well as three swimming



Cushioned, semiprivate 'bird cages' provide the ideal place to unwind at the Kinna-ree Bar.

pool, and the tennis and basketball courts.

Most of all, guests will discover that Phuket is one of the world's most beautiful islands with its sandy white beaches and exciting nightlife. ♦ [www.phuket.com/crowneplaza](http://www.phuket.com/crowneplaza)



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