



## CHAPTER V

### DESCRIPTIVE ANALYSIS AND SWOT ANALYSIS

From the study in chapter III, Taiwan's SMEs success factors, which are compared to Thailand. We can discuss about the results of the study by descriptive analysis and SWOT method by each factor as the following.

#### 5.1 The Results of Descriptive Analysis

##### a) Foreign Assistance and Support

Taiwan has got the support fund from U.S. by approximately after World War II period. While Thailand, in the period of financial crisis, has foreign support fund to assist and serve economic aid from Japan under the Miyazawa Loan Facility to facilitate the financing of SMEs, to support the grafting SMEs Master Plan, and to establish an instituted for SMEs development.

Other two venture capital fund were from the Asian Development Bank and Japanese bilateral aid with the amount of US\$100 million, we have SME investment fund, which support by Bank of Taiwan.

The other funding for an SME development project is the European Union that is in South of Thailand, which has set up a pilot incubation program of Industrial formation Center in Had Yai. The incubation center is now operational and working to encourage the development of new information technology to SMEs by the program from European Union.

From U.S. assistances, it served Taiwan economic aid. Taiwan gained in capital, foreign exchange, new technology, know-how, monetary input and several functions. Thailand also has got some advance from foreign assistances. The European Union, which is Industrial Promotion Center, has to encourage new information technology, knowledge and fund.

During the Japan occupation period, Taiwan was fortunate to have a well-developed agricultural base, which was built up by Japanese. After improved agricultural technology, Taiwan could success and got the way of a fast growing economy. In Thailand, we did not have this opportunity as Taiwan.

Another opportunity, Taiwan's manufacturing enterprises were owned and run by the Japanese in the period of Japanese occupation. After World War II, the enterprises became to be public enterprises that were a high degree of monopoly. Thailand could not get these opportunity from abroad because of a peaceful and innoculation environment.

### **b) Strong Leadership**

As we know that Taiwan's leaders were very authoritarian, heavy-handed, upright, forward thinking and responsive to their people. These are very fortunate of Taiwan because it brings to help Taiwan progress and successfulness.

As we compare to Taiwan, Thailand's government in the current Prime Minister is Dr. Thaksin Shinnawatra who is by far the most modern forward-thinking, a fighter, never gives up, a good businessman style, independent thinking Thai leader. He can save the country and to meet the demand of the people with strong leadership. Sometimes what he thinks might not sound good to other people and his pragmatism may well temper decision in this arena, especially if his well-known delegation skills empower pragmatic and business-savvy advisers. Most people in Thailand confide in his hand.

### **c) Investment Promotion and Encouragement of FDI**

In term of government investment promotion and encouragement of FDI Thailand has many strong policy as well as Taiwan although some methods are difference as analyzing.

Taiwan's basic policy for investment promotion is a free market system for their enterprise realize in competitive advantage of flexibility and elasticity, while Thailand also has the investment policy of free supporting of national interests of country and domestic enterprises. Moreover, an advance free trade policy of ASEAN Free Trade and investment with neighboring countries are encouraged by the government.

Taiwan's good promotion of foreign investment was successful that brought about the amounts of both applicant and approved FDI year after year from US, Japan, Europe. These are brought to Taiwan advanced technology, modern managerial skills, international network and generating foreign exchange. Some of the local employees of these foreign companies became the proprietors of SMEs, after gaining the knowledge of production technique and management. Another element, Taiwan's advantage was its cheap labor market, which attract FDI to investment to Taiwan with low cost. Thailand has good promotions, which are as well as Taiwan. Thai government also encourages foreign investment come to Thailand. The government provides an attractive environment for FDI by improving good infrastructure and efficient transportation, affordable wages, adaptable labor force, reasonably low real estate and construction cost, and commitment to trade and investment liberalization with other countries. To help investors remain cost-competitive, the BOI actively promotes development of subcontracting relationships between end-product assemblers, part and component manufacturers.

Tax burden was effectively provided to investor in Taiwan and achieved in the policies of removal of import-export restriction and relaxing restriction on trade. In the same side, we have a strength in this term as Taiwan because Thailand by BOI offered intensive investment that are two types of : Exemption or reductions of tariffs on imported machinery and equipment as well as raw materials on imported items for promotion activity; and the second is exemption from income tax on net profit and dividends.

The aid money made by the US Aid Mission is an important influence to invite American investment in Taiwan accounted for 60% of the total foreign

investment. This is a lucky of Taiwan while Thailand has not got this chance from US.

Japan and other advanced industrial countries where are high-tech multination enterprises invested in Taiwan, they carry out technical cooperation. Thailand is not boom in technology investment, high-tech knowledge and skill but BOI aims to supplement and strengthen enterprises by encouraging foreign business, which allow technologies to Thailand and introduce them to Thai SMEs. This strategy involves helping to upgrade Thai competitiveness and become more productive, skill training, technology transfer and managements. Although Thailand does not have any aid money by Aid Mission from US such as Taiwan.

However, the Board of Investment (BOI) has various investment incentive for potential investors and FDI incentive such as; to prevent unfair competition from imports, temporary tariff may be imposed on imports; to ensure security of investment, the Investment Promotion Act also guarantees against nationalization, state competition and state monopolization; the investor is granted permission for foreign ownership of land; employment of foreign national is also permitted to remit foreign currency abroad.

#### **d) Emphasis on Market Mechanisms**

Taiwanese authorities have focused on establishment on an environment, which they expand by deciding on the basis of market needs and support business development with market mechanisms. We can compare to Thai trading environment and market strategy like here.

Taiwan has established an export promotion service that arranged for discussions seminars and answers the problem face by business. The foreign inviting plan has been promoted to invite foreign enterprises purchase goods in Taiwan. Thai government by the Department of Export Promotion has also worked for five-year implement program to develop new export market, to expand Thai export products, by offer information service to exporters in several problems. Thai government has organized international seminars and conferences to gain

information and knowledge on competition policy and to invite foreign import to their countries from trade fairs and exhibitions.

Taiwan requests credit fund NT\$30 billion for loans to SMEs to develop their export business and expand export insurance. While Thailand has the International Trade Promotion Fund contributes 150 million Baht annually for five-years to supply 5% according to export sales by firms. The Export Import Bank of Thailand is giving trade insurance to export bill or letter of credit. The small-lot exporters do not worry about taking their risk. The trade insurance aims to relieve their risk to develop export markets.

Taiwan has provided low interest financing for the export. Thai Export Import (EXIM) Bank of Thailand also has policy to support the firm into export markets by offering fixed rate of interest. In otherwise, The EXIM Bank of Thailand is also provided to SMEs with a packing of lower interest rate in export.

Taiwan government tries to assist firms in responding to the effects of Taiwan's entry into WTO. For Thailand, a sub-committee is established to negotiate and consider under WTO forums.

Taiwan's policy and investment promotion measures did not focus on specific industries, which Thailand's policy and promotion are focus on higher export values business.

#### **e) Supports for Industrial Advancement**

When we compare the industrial policy between Taiwan and Thailand, we found that Taiwan success in policy of import substitution and export expansion industrialization. The policy of import substitution benefited a number of domestic industries particularly consumer products industry. The policy of export expansion was implemented. When exporting products, the government provided tax refund that included tariff, defense tax, harbor dues, and excise tax for imported machinery and raw materials. Thus production cost of Taiwan was lowered and Taiwanese

exports became more competitive and compete in the international market with the fast growth in export led to huge the accumulating of foreign exchange.

A tool of Thai government by BOI to encourage industries has some item policy, which can compare to Taiwan as the nearly way is to provide assistance as guarantees, taxes, monetary incentives. The major tax incentives to promote companies by exemption or reduction of tariffs on imported machinery and equipment, as well as materials for promoted activity and exemption from income tax on net profit and dividends. Although Thai government did not provide tax refund incentive to encourage the export expansion, the National Tax Administration bureau and relation institutes are trying to introduce a taxation system to deduct double the amount of expenses. The purpose is that taxation support is given to firms for trying to advance into those new export markets. While BOI decided that exemption of import duties on raw materials, daily necessities & interior goods, supporting goods, components for transport machinery and other main export products should be applied. So this point, Thailand is competitive to Taiwan.

Taiwanese authorities have taken promote specific industries while Thai authorities have also concentrated in specific industries as Taiwan but is different industries. Taiwan effort to provision of technological support and encouraged the concentration of high-tech industries while Thai does not concentrate in high-tech industries but support in general industries such as plastic injection moldings, metal parts and mould & dies. The difference is not main important. The point is Taiwan authorities have recognized the need of industrial advancement by earlier. For Thailand, we do not have realized in it.

Taiwan succeeds in research and development investment. This is one notable by the Industrial Technology Research Institute. Its main activity is offsetting a shortage of research and development investment by private sector firms. The next activity is the provision of technical services at the request of private sectors. In Thailand, government has not found the institution of research and development for supporting the growth of high-tech industries and no has any offered both technology knowledge and technical services at the requirement.

Taiwan authorities successfully build on the incentive for Taiwanese technicians living abroad to return home, they will bring more technical advancement and know-how back to teach their people and develop their industries. But Thai government has not realized in this way and no has any incentive such as scholarship for Thai's technician to living broad and return home. So we are weak in this point.

#### **f) Robust System and Effective Institutions**

Taiwan has developed a robust system of effective institutions and agencies. The main purpose is to develop economy and support SMEs. Taiwan has a successful economy because it has strong and effective institutions with good system. Taiwan's SMEs agencies and administrations have a common objective acting and guiding for related agencies to follow the same direction and eliminate overlaps. In Thailand, there are many problems in structure of organization and management to support SMEs. The functions both of publish and private agencies are not set by independent of each other and not systematic. There are many government organizations deal with SMEs, while the scope and major role of each organization is not very clear. SMEs have spent a lot of time to contact different organizations. The invitation of government agencies did not have enough good information to SMEs.

#### **g) Well-train Labor Force**

Although the quality of education in Taiwan was significantly enhanced over the past decades. High quality of labor force was improved consequently with law wage level that was the condition of rapid industrialization of Taiwan. Over the past decades, Thai education policy was not significant. Most of labors have low education and they tend to lack of quality to improve their business.

Taiwan's SMEA was also established SME Training Centers, which are in the Northern Center, the Central Center and the Southern Center by Universities and colleges in Taiwan. The purpose of their establishment was used to be

organizing conferences; seminars and training course on long-term to make the wealth of high-quality instructors. Other purpose is to provide training to SMEs and Taiwanese businesspeople. In Thailand, government has established many institutions both of public and private organization as center of undertaking activities to provide training, services and assistance to SMEs. Moreover, government cooperated with university and industrial sector to join research. The government has to rely upon the experts from developed countries such as Japan, Germany, and USA for an access to information and knowledge skills.

Taiwan has a number of organizations deliver training to SMEs, some of these are government offices as be the network of SMEs guidance center. Other independent non-government organization is also involved in the delivery of SME to training program. For Thailand, we do not have the measure of organization deliver training to SMEs and our guidance centers are not network such as Taiwan.

#### **h) Sound Infrastructure**

Terms of road in Taiwan are convenient and fast freeway system from north to south and plan to western. Thailand's road infrastructure is as well as Taiwan in these ways. Many roads of Thailand have yet to be improved to a standard. Thailand has well developed a network of road and highways with very long distance as we found that Thailand has 170,000 km network of road. From the past to 1992, government has extended on the construction of major highways about 43,000 km and there are 53,000km of national highways, 140,800 km of rural road and focused on 14,000 km of municipal roads. All of these are enough to facilitate the country's economic growth and to support vehicles on the road. Now, there are road transport represent 88 percent of freight and 92 percent of passenger transport. The government tries to strengthen road by investment in "Sky-train" to assist people movement on density road.

For the railway, Taiwan's development is over step. Taiwan each station will be in combination with mass rapid transit system. From complete mass transport service network, people can be able to enjoy door to door with the high-speed railway and the most effective service. They do not drive a car. Thailand



railway is not developed to be a high-speed railway. However, Thailand has a lot of facility of railway service and network. There are new projects to expand railway stations and improve new railway lines for requirement of more local movement and rolling stock and also improve the railway service and network, more double track project. The new container depot at Lat Krabang Industrial Estate was built for support import and export of the country in conjunction with the new deep seaport at Laem Chabang. It is very modules. Moreover, the export and import of goods can be conveniently transported by train that through Malaysia, Singapore with high values of goods.

The underground railway has not finished yet. Thailand is trying to improve the efficiency of railway and underground to be a standard of convenience and fast system. The problem is shortage the big funds that are essentials.

Although Taiwan has a lot of planning expansion by management of road system, relaxation of the port service fee and related regulations. Thailand also has potential in term of airport and seaport. Thailand has six international airport and more than 29 domestic airport. To support economic growth, the government is constructing a second international airport that will be opened in 2004.

In addition to seaport, there are eight international deep-sea ports in Thailand to serve eastern seaboard region, southern, and central region in Bangkok. Bangkok Commercial Port is the largest publish port that can serve 14 million ton per year. Laem Chabang can handle about 7.3 million tons per year. These two terms of transportations, Thailand is enough strength when we compare to Taiwan.

### **i) Educations and Industrious Populace**

At present, the rate for school-age children of Taiwan has risen 99.91 percent. For the senior high school graduates, the figure also rose to 108.06 percent in 1997. It is indicating that every school age in Taiwan is attended. While Thailand's figure school-age children show only 88.0 percent and high school graduates are 47.6 percent. Compare to Taiwan with the same year 1997). It shows that children and teen ages school of Taiwan advantage over Thailand. (Figure refer

to “Welcome to O.N.E.C.” (The Office of the National Education Commission [www.edthai.com](http://www.edthai.com).)

If we compare higher education in university level with population between Thailand and Taiwan. There are 154 colleges and university in Taiwan while population is 23 million. We found that Thailand has population about 67 million and there are 16 government, 26 private universities and 36 teacher colleges in Thailand.

Taiwan started to implements a nine years compulsory education system with includes six years of elementary school and three years of junior high school for its population since 1968. While Thailand’s populations have been forced to study at least six years of primary school became to be nine years replace six year of primary school in September 2002.

Since 1970s, Taiwan’s education was much emphasis given and was heavy investment since the Japanese occupation. Because Taiwan shifted away from exporting agricultural products to industrial manufactured goods. The industries were more complex technologies and needed more upgrade. It became increasingly society’s demand for more technicians with advance professional knowledge and skill. To support the rapidly demand, education in college, vocation school and university were provided a channel for vocational graduates and emphasis in working experience. For Thailand, this event was not occurred so the heavily emphasis of Thai’s education was not aware to develop. Thai’s government has provided in many ways by gradually. It was beginning in early 1990s to address issues and quality in education, which support by many institutions such as World Ban was to improve the quality of science, mathematics and foreign language instruction in schools. Other educational policies as the government try to provide loans to students, public subsidies for private education would be increased, a separate vocational education Act is also being developed, the teaching process is to be adjusted and solving skill.

The Thai government has recognized the very important role of younger generation. The Ministry of Education and Bureau of University Affairs have been

assigned to revise and adjust the curricula in order to develop entrepreneurial spirits since they are young as well as to prepare and support them to be able to set up a successful business.

#### **j) Social and Cultural Aspiration**

The cultural and characteristics of Chinese family, which are thrift and hard working have also helped the rapid growth of Taiwan SMEs. From the historical reasons, Taiwanese did not like to work for the government and they have a strong desire to be independence in their own boss and become a SME. They are most success in their occupations because the Chinese families characteristics are a strong motivation to be their own boss. These characters are transferred to their children and encouraged to have a successful career in business. From this social and cultural aspiration of Taiwanese, if we compare to Thai it may be different in the lifestyle of people and country. In different ways, Thai people are proud to work for the King and for the government because it means of prestige in Thai sociality and family. In the past, Thai social is the sociality of definition in level class; so Thai people love to be government's officers. The most of trading and business are done by Thai-Chinese as a commercial class, which are the less number in Thailand. From the difference of sociality, culture, and lifestyle between Taiwanese and Thai, then we can mention that Taiwanese's opportunity is better than Thai by the social background.

### **5.2 SWOT Analysis of Thailand's SMEs**

From looking at the descriptive analysis, we can find out the assumption of the potential Thailand's SMEs by the SWOT method from each factor as the result here.

## **5.2.1 External Factor**

### **a) Foreign Assistance and Support Factor**

#### **Opportunity**

Thailand has got a lot of opportunity in fund supporting and foreign assistance more than Taiwan. Especially, we have foreign support fund from Japan such as the Miyazawa Loan facility, the capital fund from the Asia Development Bank, Japanese bilateral aid. We also have another support fund for SMEs investment fund, which is supported by Bank of Taiwan. The other funds for SMEs development project came from the European Union. We have got a lot of funds that are more than Taiwan. From foreign helping with a lot of fund and information technology, Thailand could be a prosperous land with the providing of more capital, modern technology, employment, higher-level income.

#### **Threat**

Although, Thailand has got a lot of advantage from the fund but Thailand did not has any opportunity as well as Taiwan in some case. Because of during the Japanese occupation period, Taiwan has got “well-developed agricultural base” from Japan. It gave the way for fast growing economy and agricultural country. Thailand could not get well-developed and improved agricultural technology from abroad, which are base of developing country.

### **b) Strong Leadership Factor**

#### **Opportunity**

Although the Thai government has a history of changing hands with frequency the system does not usually change with leaders. The current Prime Minister, Dr. Thaksin Shinawatra, who is considered to be a strong leadership in this modern globalize world, he is different from previous prime ministers. Because of his forward thinking, fighter, good businessman style, independent thinking, strong leadership. Although he has a pragmatic character but it may well temper decision on the arena and most people confide him.

### **Threat**

With strong and very self-confidence of Thai's leadership, it could convert to be a weakness side and make wrong decision to the country. Dr. Thaksin is not a real politician. He is a good businessman in this globalize world and successes in his business with his management style. The management skills of many corporate enterprises are certainly transferred. At the same time, the management skills on corporate enterprises are not always match with managing a country of 60 million, which is far more complex and different from enterprises. Although Thailand has a good leader but it is unfortunately corruption is still problem in Thailand.

## **5.2.2 Internal Factor**

### **c) Investment Promotion and Encouragement of FDI Factors**

#### **Strength**

From comparisons of investment policies and promotions of Thailand and Taiwan, we can conclude that Thailand has a potential investment promotion as well as Taiwan.

In response to the changing situation in the economy, the BOI has designated a range of select investment categories for promotional privileges and incentives under the Investment Promotion Act.

Thai government had strength investment promotion and encouragement of FDI. The free market system is the basic policy for investment promotion, which SMEs should be flourish from opening free market because of comparative advantage of flexibility and elasticity. Moreover, the government has made its investment environment by removing barriers of investment and by strengthening its legal and regulatory framework. From response of investment promotion and encouragement of FDI, Thailand would have opportunity of success as the same way of Taiwan by the good incentive environment and policy.

### **Weakness**

Thailand did not have some chance of aid from any foreign mission such as US Aid Mission in Taiwan. It is an influence on the economic policy to make more favorable investment environment and attractive to investors.

### **d) Emphasis on Market Mechanisms Factor**

#### **Strength**

Thailand by Department of Export Promotion has work for many export promotions to support and service all export industries. Thai government has potential strategies in export promotion when compare to Taiwan. There are many support such as establishment of information services to exporters, organization of international seminars and conference on competition policy, opening trade fairs and exhibitions, giving trade insurance to export for small exporters, providing low interest financing and packing credit to facilitate exports firms. Moreover, the assistance from the government is establishment committee to negotiate with WTO and launch necessary measures to protect SMEs from unfair competition.

#### **Weakness**

Promotion measures were not focused on strengthening SMEs competitiveness in an integrated manner. There fore, Thai SMEs are weaker than their foreign counterparts such as those in Japan, Taiwan, and Italy that have received concrete and continuous development assistance. Thai export policy has been focused to support on specific export enterprises, which make a lot of export value. The kinds of enterprises are restricted by the government promotion. So the other export enterprises of SMEs could not get any promotions, and could not extend by market needs because the enterprises would select to produce the products, which the government has focus to support and offer the highest earning potential. The measure of support and promotion to export firms could not attain and distribute the benefit to all of SMEs.

### **e) Supports for Industrial Advancement Factor**

#### **Strength**

Thai government has many tools to encourage industries item policy such as tax incentive by exemption and reduction of tariffs on imported machinery and equipment as well as exemption income tax on net profit and trying to introduce a taxation system to deduct double the amount of firm's expenses. BOI has also decided to exemption of import duties on material, daily necessities, supporting goods and components. Many kinds of industries encouragements are strengthen to industries and bring the advantage to industries.

#### **Weakness**

Thai government has not realized to the need of industrial advancement and does not investment in research and development institution for supporting the growth of high-tech industries and no has any offered knowledge and technical services. In otherwise, government does not have any measures to support Thai technicians living abroad and return home with more technical advancement to develop their industries.

### **f) Robust Systems and Effective Institutions Factor**

#### **Strength**

At present, Thai government agencies and institutions of SMEs assistances are still developing all administrative efficiency and their operations. Government try to set up many new agencies to overspread for SMEs's supporting. So Thai' support agencies and institutions are in the weakness side.

#### **Weakness**

Thailand has found many institutions and agencies to support, promote, solve and help to SMEs. These several government agencies now look like effective but their operations overlap and not systematic. Moreover, the structure of organization and management to support SMEs are not systematic There are many government organizations deal with SMEs, while the scope and major role of each organization is not very clear. Many institutions do not spread out to reach SMEs

that are scattered all over the country. Thai's institutions systems are uncompetitive in the administrative efficiency and agencies operations when compare to Taiwan.

### **g) Well-train Labor Force Factor**

#### **Strength**

Thai's training to SMEs labor would be strength such as Taiwan because Thailand's government has established many institutions to undertake in the part of training and knowledge support institutions and private sectors. They have many measures to assist and upgrade to SMEs, which are offered technology management design, production knowledge, information R&D of industrial processes, all short training cause of physical and chemical testing, cooperation with universities to join research and cooperation with Japan, Germany and USA for access to information and knowledge skills.

The interesting project is focused on business and management training and practicing on business plan preparation. Followed by business consulting and business incubator for the same target group.

Thailand measure, policy, and procedures to strength SMEs's labor training are close with Taiwan.

#### **Weakness**

The good education background is an important and related to increase quality of labor training. Over the past decades, Thai education policy was not significant. Most of labors have low education and they tend to lack of modern management skill, appropriate production and IT technology, necessary information for good decision marking. Joining business or setting up own business could not be an indicator of achievement. The low education of labor force was obstacle of learning and development in training course.

Although Thai government has a good measures and policy of training to labors and business-owners, it is difficult to encourage and upgrade them. Then,



education background of Thai labor is an influence to government well train labor force.

Thai's government has established many institutions to train and support knowledge to SMEs, all worker and business owner but without the purpose of instructors training course, which make the wealth of high quality to instructors. Thailand did not have a number of organizations deliver training to SMEs and guidance centers did not establish to be network.

## **h) Sound Infrastructure Factor**

### **Strength**

From the extension of road transport structure in Thailand, we can conclude that Thailand's road system and development are progressive and adequate to serve both population centers and economic activity. Although the traffic load and density on many roads exceeds, the government always has more and more construction and extend many different ways to the destination and exceed their original design strength or capacity. There are many roads have yet to be improved a standard. Moreover, the networks of road system make a lot of conveniences and facilities, so it brings to the fast system.

Thailand has potential in term of airport and seaport. According to airport service, the service total is about 243,475 flights per a year. There are more than 12 million international and 5 million domestic passengers a year. There are many ports that are enough to support economic growth with more than 29 domestic airports and modern international airports to support to passenger and cargo demand. For the seaport, we have eight international deep-sea ports and four private seaports to handle container cargo, which are potential to serve in center, eastern, and southern with the high capacity.

We analyze predict that Thailand will be as a regional aviation hub and has a potential to response passenger and cargo demand as well as Taiwan.

### **Weakness**

The railway of Thailand is not developed high-speed railway. However, now Thailand is trying to improve the efficiency of railway and underground to be standard of convenience and fast system but the problem is shortage the big funds.

### **i) Education Background Factor**

#### **Strength**

Education background of Thai people was not emphasis in the past decades. Especially, in the term of technologies knowledge and other elements as we will breakdown in weakness side.

#### **Weakness**

From the percentage of Thai's education, the level of children school age and high school level are lower than other countries.

The ratio between population and number of academies in higher education show that Thailand are not abundant in high level in college, university and vocational school so it means that the government has not been widely viewed in education for economic development.

In the past, Thai's government was not enough to support its population in every level of school age until university. Especially in the term of vocational education was not emphasis in working experience and skill development.

Otherwise, Thailand has many problems, which has not been solved such as the serious issue of curriculum and quality is not also attention; the science and engineering program were weak and graduates fails to meet labor market standard; the secondary school dominated by repetition learning so generations of Thai students would find difficult ways to adapt the rapidly changing occupations and jobs; Thailand's government did not have been more any fund to support and there are many suburban areas are undeveloped. Otherwise, Thailand's households have lower income than Taiwan so it affects to children enter in school.

## j) Social and Cultural Aspirations Factor

### Strength

From history background, the social and cultural aspirations of doing business were not favorable in Thai society. Then, this factor is in the weakness side.

### Weakness

Thai's society and culture were not favorable about doing business. Started from the past decades, Thai's society was social class division. Thai people admire to work with the King and Government as they are prestigious and were the proudness of their family. From this reason, most Thai did not love to do the trade that was usually done by less people of Thai-Chinese descendent.

From investigation of Taiwan's success factors and compared each factor to Thailand. We can conclude the analysis results from SWOT method between Taiwan and Thailand as the table like here.

**Table 5.1**  
**Conclusion : SWOT Analysis of Strengths**

Taiwan	Thailand
<ul style="list-style-type: none"> <li>- A lot of fund from foreign country was served to Taiwan's economic aid that did Taiwan have more capital and made more foreign exchange.</li> <li>- Foreign Direct Investment policy was promoted to investment in Taiwan by good intensity. This FDI influenced to the development of local SMEs in several ways and make a lot of advantage to the country.</li> <li>- The enterprises have been able to select the industries into which they will expand on the basis of market needs and make highest earning because the policy of export and investment promotion did not focus on specific industries.</li> <li>- The Industrial Technology Research institute has played an important to provide technical services at the request of private sector.</li> <li>- SMEs's agencies and administration are set standards and have a common objective of acting to follow the same direction.</li> <li>- There are SME Training Centers in northern, central, and</li> </ul>	<ul style="list-style-type: none"> <li>-The government has a strong investment promotion to encourage FDI.</li> <li>- The strategies of export promotion is potential in establishment the organization of information services for export industry and giving trade insurance to export including low interest financing and packing credit.</li> <li>- Thai government has many tools to encourage industries such as tax incentive by exemption of tariff and import duties on machinery and material.</li> <li>- There are many institutions to strength SMEs's labor training courses.</li> <li>- Infrastructure of road, airport, and seaport are convenient and response passenger and cargo demand.</li> </ul>

**Table 5.1 (Continued)**  
**Conclusion : SWOT Analysis of Strengths**

<b>Taiwan</b>	<b>Thailand</b>
<p>southern to organize conferences, seminars and training courses on along-term with the systematic basis to meet the needs of SMEs and upgrade their management.</p> <ul style="list-style-type: none"> <li>- Transportation network is well-developed in term of road, railway, airport and seaport that are convenience and high capability.</li> <li>- The rate of school-age children is very high because there was heavy investment in education.</li> <li>- Under the influence of traditional Chinese family and social structure, people prefer to establish their own business and the cultural characteristics of hard working have also helped the rapid growth of SMEs.</li> </ul>	

**Table 5.2**  
**Conclusion : SWOT Analysis of Weaknesses**

<b>Taiwan</b>	<b>Thailand</b>
	<ul style="list-style-type: none"> <li>- The promotion measures were not focused on strengthening SMEs competitiveness.</li> <li>- The kind of enterprises are restricted by the government promotion so the other export enterprises of SMEs could not extend by market needs.</li> <li>- Investment in research and development (R&amp;D) for supporting the growth of high-tech industries is not realized by the government.</li> <li>- The operations and of institutions and support agencies are overlap and the structure of organization to support SMEs are not clear and systematic.</li> <li>- Most labors have low education. They lack of modern management skill and the low education skill that was obstacle of learning and development in training courses.</li> <li>- The level of education of children school age and high school are lower than Taiwan because the government was not encourage its population, especially vocational education was not emphasis in working experience and skill development</li> <li>- Thai society and culture were not favorable about doing business. They admire to work with the King and Government.</li> </ul>

**Table 5.3****Conclusion : SWOT Analysis of Opportunities**

<b>Taiwan</b>	<b>Thailand</b>
<ul style="list-style-type: none"> <li>- A lot of fund from foreign country was served to Taiwan's economic aid that did Taiwan have more capital and made more foreign exchange</li> <li>- The agriculture was well-development and the agricultural technology was improved from foreigner.</li> <li>- The leaders were responsive to the needs of their people and they were strong leadership.</li> </ul>	<ul style="list-style-type: none"> <li>- Thailand has got a lot of opportunity in fund and technology knowledge that support from foreign counties.</li> <li>- The Current Prime Minister is a strong leadership</li> </ul>

**Table 5.4****Conclusion : SWOT Analysis of Threats**

<b>Taiwan</b>	<b>Thailand</b>
	<ul style="list-style-type: none"> <li>- Thailand did not get well-developed and improve agricultural technology from aboard which are base of developing country.</li> </ul>