

Chapter 1

Introduction of the Research Project

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CHAPTER 1

INTRODUCTION OF THE RESEARCH PROJECT

Ruth Banomyong and Masami Ishida

1. OBJECTIVE OF THE PROJECT

1.1. Background and Objectives

Cambodia, Lao PDR, Myanmar and Vietnam (CLMV) have shown remarkable economic growth since 2000. Physical infrastructure improvement, cheap labor cost and preferential market access supported and facilitated foreign direct investment (FDI) in the CLMV countries.

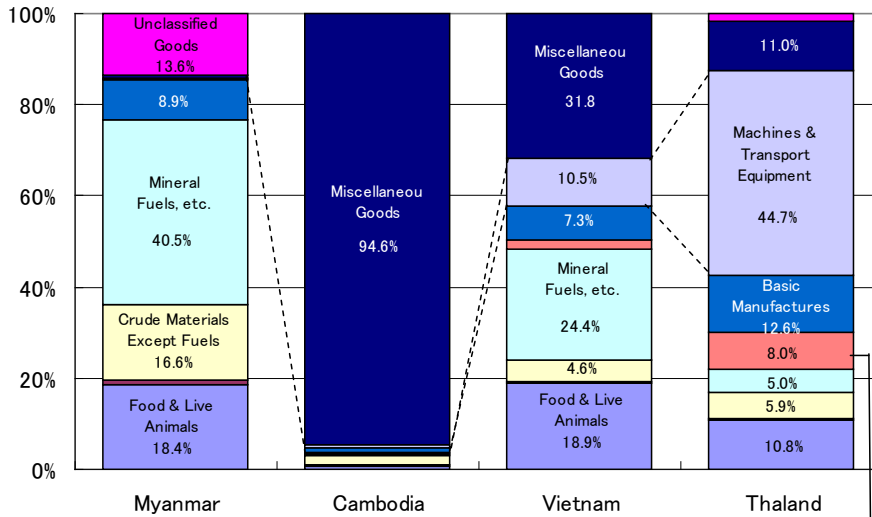
With the exception of Vietnam, however, FDI and other forms of business entities, especially manufacturing industries, in the CLMV countries concentrated only on a few certain sectors, in particular, textile and garment. FDI in Cambodia is concentrated in the garment and textile industries, employing several hundred thousand people and accounting for about 75 percent of the country's export (Yamagata, 2006). In Lao PDR, foreign-invested garment factories employ about 60 percent of the labor force in the manufacturing industries (Business Establishment Survey, 2006). And while Myanmar also participates in regional production networks of garment products, it is on a smaller scale, which is obviously not proportional to its relatively large population size (Kudo 2007). Vietnam has been more successful in absorbing a more diversified FDI, but given its size and potential, much still needs to be done before it catches up with the

advanced ASEAN members, including Thailand.

Looking at the structure of the export commodities of Thailand, Vietnam and Myanmar in Figure 1, it is obvious that the share of machines and transport equipment, including electrical appliances, increases in proportion with the countries' respective development stages. Myanmar (and even Vietnam) still depends on primary commodities such as crude materials, including fuels, food and live animals, while Cambodia is heavily dependent on garments. On the other hand, the export commodities of Thailand are well diversified and the Figure shows the successful performance of the development of machines and transport equipment. However, even the exports of Thailand also depended heavily on food and live animals in 1980, and it took about twenty years for the country to diversify the composition of its export commodities (Figure 2). Malaysia also changed its policy to attract FDI in 1986 in accordance with the recommendation of the UNIDO for Malaysia to diversify its industrial structure. Following the experiences of the more advanced ASEAN countries, the CLMV countries managed to attain a turning point in their economies through a diversification of their industrial structures and export commodities via the attraction of FDIs in "new industries" like the electronics and automotive industries. Clearly, then, one can see that diversification is the most important element in the upgrading of the industrial structure of the CLMV countries.

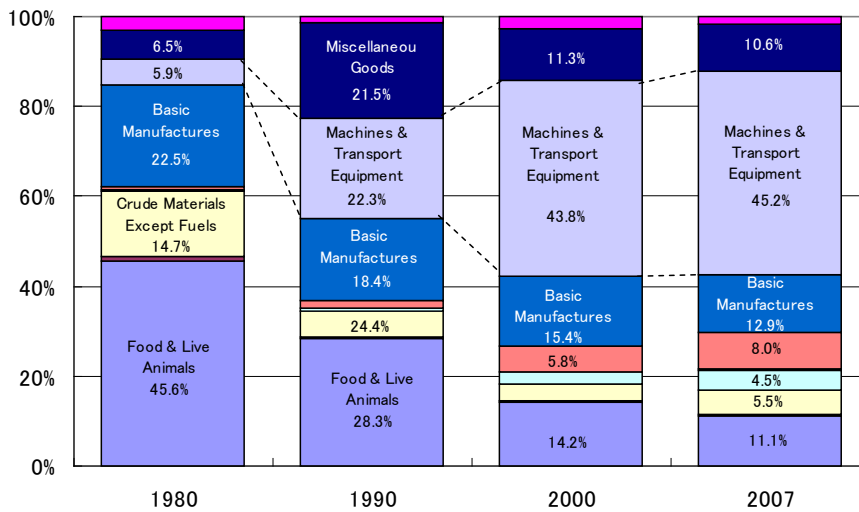
As shown, the garment industry is the most significant among the "existing industries" in the CLMV countries. However, there are several elements that still need to be improved in the garment industry. For one, most of the raw materials of the garment industries such as cloth, yarn and thread are imported from other countries. Thus, to develop the textile industry as a whole, it is important to attract the upstream

Figure 1 Export Commodities in CMV and Thailand (SITC)



Notes: 1) The numbers of Thailand and Vietnam are as of 2006, and the number of Cambodia and Myanmar is as of 2004.
 2) They do not include the re-export.
 3) Miscellaneous goods of Cambodia are mostly composed of garments.
 Sources: ADB, *Key Indicators* (Various Years) and UN Comtrade.

Figure 2 Historical Path of Export Commodities in Thailand (SITC)

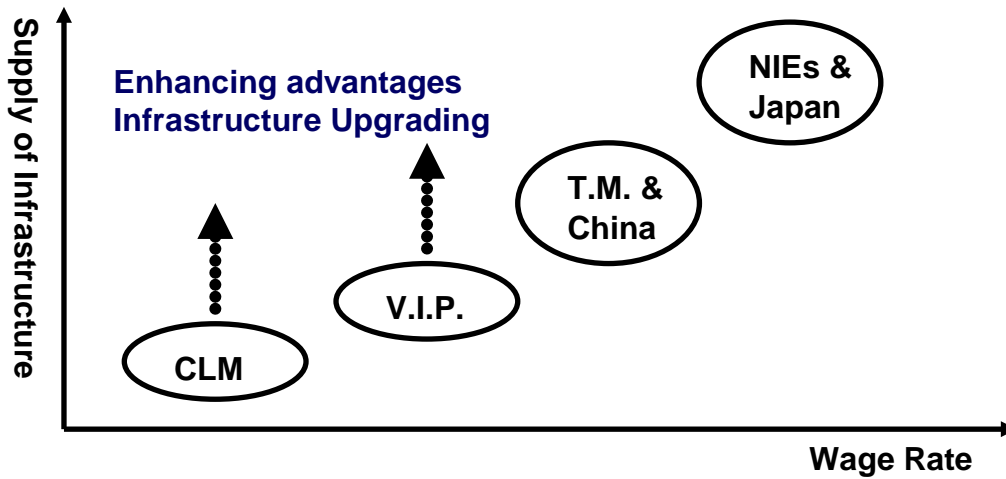


Notes & Sources: as same as Table 2.

industries like weaving and spinning in upgrading the industrial structure. It is also important for the garment industries in the CLMV countries to diversify their products from low value-added ones such as non-seasonable men's shirts to high value-added ones such as seasonable ladies' fashion items. Diversification from downstream to upstream industries and production of higher value-added products are thus two important elements in the upgrading of the industrial structures of the CLMV countries. In the meantime, another one of the significant "existing industries" in the CLMV countries is the agro-based industry where diversification from upstream to downstream industries and the switching from domestic market-oriented products to export-oriented products are the ones considered as important elements in the upgrading of its industrial structure.

Turning the attention to the more advanced ASEAN countries, namely, Malaysia, Thailand and Indonesia, meanwhile, would show that they began to register remarkable economic growth in the second half of the 1980s when they started receiving FDIs. These countries have participated in the production network of the electric, electronics and automotive industries in East Asia. Firms in these countries, however, have started to face the competition of lower-priced products imported from China and India since the beginning of the 2000s. In addition, the textile industries in these countries have also been faced with decreasing competitiveness vis-à-vis the products imported from China. In order to survive the competition from these imported products, the firms have attempted to do "fragmentation." This means that they have been inclined to move the labor-intensive blocs of their manufacturing process to lower- wage countries such as CLMV countries. It is in this sense that the CLMV countries are expected to be able to upgrade and diversify their industrial structures through their being the subjects of the

Figure 3 Scattergram of the EACs in terms of Infrastructure & Wage Rate



Source: drawn by the authors.

fragmentation and relocation of new industries like electronics and automotive industries from Malaysia, Thailand and Indonesia as these countries compete with other lower-wage countries.

The infrastructure development in the CLMV countries, however, is considered to still be immature in comparison with the more advanced ASEAN countries (Figure 3) albeit the fact that certain major infrastructure development schemes like the Greater Mekong Subregion (GMS) economic cooperation program have been set up in the former. Such underdevelopment of infrastructure is seen to have hampered the diversification in these countries.

Based on the above background discussion, this study hereby presents several research questions to make its objectives clear. At the same time, this study will attempt to respond to such questions through the exposition of various case studies and survey results. The research questions include the following:

- (1) Why would firms in the more advanced ASEAN countries make the decision to relocate some or all of their production activities to the CLMV countries? Or will they decide not to do so at all? In terms of set-up cost, operation cost and service link cost, is the relocation to CLMV countries reasonable? What are the factors needed in the CLMV countries for these firms to consider moving?
- (2) How can the CLMV countries attract more FDI from the more advanced ASEAN nations? Which of the following elements are needed to attract more FDI: 1) development of infrastructure, 2) improvement of the investment climate, or 3) human resource development? In case the hard infrastructure, investment climate and human resources were improved in the future, what kind of “upgrading” or improvement like the expansion of market and development of new products is possible in the “existing industries”? Why have the CLMV countries not been able to diversify their existing industrial structure?

1.2. The Results of Previous CLMV ERIA Projects

As a part of ERIA projects, a two-year research project on the development of the CLMV countries was conducted a few years ago. In the first year of the project, the theoretical backbone and review of the development schemes of the Greater Mekong Subregion (GMS) Program and ASEAN were studied and presented. At the same time, the development assistance projects of China, Korea and Japan as bilateral donors to the CLMV countries were reviewed. Based on the findings of the research project, the authors from the CLMV countries presented policy recommendations (Sotharith, 2008) for their respective countries. In the second year, two kinds of survey were undertaken

for the project. The first one is a flowchart approach-based survey where bottlenecks and challenges in attracting anchor industries such as a printer manufacturer of Cannon in Hanoi were identified, and then actions to be taken to address the challenges in some cities in the CLMV countries, i.e. Phnom Penh, Sihanouk Ville, Vientiane, Yangon and Danang, were prioritized. The second survey is a questionnaire survey on the investment climate where the samples were taken from foreign firms and trade-related domestic firms in major cities in the CLMV countries, i.e. Phnom Penh, Sihanouk Ville, Bavet, Vientiane, Savannakhet, Yangon, Mandalay and Danang. According to these surveys, the problems and challenges such as the high cost of electricity, poor road infrastructure, and access to finance in some cities are the main obstacles in doing business in the CLMV countries (Kuchiki ed., 2009).

As for trade facilitation, Ishida (2008) explains the contents of the cross-border transport agreement (CBTA) as well as reviews (2009) the current situation on the utilization of information and communication technologies (ICT). In terms of infrastructure, including roads, ports and harbors as well as Special Economic Zones (SEZs) in the CLMV countries, Chapter 2 of Kuchiki ed. (2009) reviews a comprehensive study on infrastructure.

The second and final year's study focused on the investment climate, including the soft and hard infrastructures of the major cities in the CLMV countries. This year, the study deepens the analysis on the improvement of the investment climate with a focus on industrial structures. This is important because knowledge of the investment climate by industry in the CLMV countries is necessary for the inflow of FDI in upgrading the industrial structure. This year, too, the study would like to ask potential investors in Malaysia, Thailand and Indonesia on whether or not they are willing to invest in the

CLMV countries on the basis of the overall picture of the investment climates in the CLMV countries.

2. RESEARCH METHODOLOGIES

For the purpose of answering the two main research questions, a multiple case study approach is suggested in order to obtain insights into the decision-making process of firms in the more advanced ASEAN countries as well as on what is needed to attract more “industrialized” FDI, from a CLMV country’s perspective. Three different kinds of surveys were done, namely:

- 2.1. Semi-structured interviews with decision-makers in the more advanced ASEAN countries;
- 2.2. Semi-structured interviews with key associations and selected firms in the CLMV countries on what is needed to attract “industrial” FDI from other ASEAN countries; and
- 2.3. Questionnaire on main logistics (links) linkages in terms of cost and time to and from the main trade flows with key trading partners in the CLMV countries.

The following sections (2.1 to 2.3) describe the final research proposal that was written after the first meeting on September 21-22, 2009.

2.1. Semi-structured Interviews with Decision-makers in the More Advanced ASEAN Countries

Each representative from Malaysia, Thailand and Indonesia, and members of the sub-supporting studies (hereinafter referred to as “team members”) are required to call on the business association and policymakers of the key industries and ask them about the history, current situation and competitive environment of the key industries. At the same time, the team members need to ask the business association to introduce target respondent firms which have relocated some or all of their production blocs to other countries or are likely to relocate to other countries. In accordance with the information gathered from the business associations, the team members are expected to target the respondent firms for the interview. The target firms should be diverse: small, medium and large firms, local, foreign and joint venture firms. The industrial sectors for the surveys are: electronics industries in Malaysia, automotive and related industries as well as electronics industries in Thailand, and electronics and upper stream sub-industries of textile industries in Indonesia. As soon as the target firms are decided on, team members are required to inform the research project leader and coordinator. Respondents of the target firms should be the decision- makers for the relocation or fragmentation. The interview is expected to be done in accordance with the instructions in the accompanying paper (see appendices). A major part of the instructions for interview is designed as open-ended questions; thus, the team members are required to extract and discern the information that are not assumed in the instructions. After finishing the interview, the team members are required to write the results and send them immediately to the research project leader and coordinator.

The outlines of the interviews are as follows:

(1) Survey on Cost Structure (only for interviews with private firms)

The team members are required to make unit cost structures (total cost structure is also available in case that the unit cost structure cannot be given) of the firms. The elements of the total cost are 1) labor force, 2) transportation, 3) electricity, 4) other energies, 5) imported parts, components and raw materials, 6) parts, components and raw materials procured from the domestic market, and 7) other elements. The share of each element is reported by a unit of percentage. The cost structure is expected to be compared with those of the CLMV countries.

(2) Business Climate

The team members are required to ask the decision-makers whether they are faced with competition from lower-wage countries or not and whether they have experienced or have considered relocating some or all of the production blocs to lower-wage countries, and what the differences on investment climates between CLMV countries and other lower-wage countries (India, Pakistan and Bangladesh) are. The team members are also required to ask other information such as average wages for workers, level of educational attainments of workers, and frequency and longest period of black-out. These indicators are expected to compare with those of the CLMV countries.

(3) Evaluation for Fragmentation and Relocation

This part is a key part for the survey for more advanced ASEAN countries. The team members are required to ask the decision-makers of firms on whether the respondent knows about the CLMV countries or not, and the perception on the CLMV countries. Then they are required to ask the respondent to evaluate the fragmentation and relocation to CLMV countries *after showing the basic data of investment climates of the CLMV countries (see appendices)* such as: 1) land price for owning and leasing, 2)

minimum wage and average wage for workers, 3) electricity price, 4) price of water for industrial use, 5) distance to ports and markets, 6) average level of educational attainments of workers, 7) population and GDP per capita of the country, 8) tax holiday period, and 9) other qualitative information like political stability. The team members are expected to compare the difference of perception before and after showing the basic data of the investment climate of CLMV countries. By way of the evaluation, the advantages and disadvantages of the CLMV countries can be cleared and the ways for improving the disadvantages can be considered candidates for policy recommendations.

2.2. Semi-Structured Interviews with Key Associations and Selected Firms in CLMV Countries

The team members of the CLMV countries are required to call on business associations of garment, electronics, automotive and related industries, and also one of export-oriented food industries, as well as related policymakers and ask them the history and current situation of the industries and what is needed to attract FDI from more advanced ASEAN countries. The improvement of hard infrastructure, investment climate and development of human resources are the expected examples of the answers. The team members also need to ask the business associations to introduce to them foreign and joint-venture firms of the related industries. If the number of foreign-affiliated firms is not that many, then exporting firms may also be tapped and included. Based on the information gathered, the team members are required to make a list of the respondent firms which should be well-balanced among the industries. Then the team members will have to call on the respondent firms one by one for the interview based on the instructions given in accompanying papers (see appendices). Again, like the first

type of survey interview, a major part of the interview is designed to be open-ended questions. In view of this, the team members are also required to get other information that are not included and assumed in the instructions. After the interview, the team members are required to write the results on a specific format and submit them immediately to the research project leader and coordinator.

The outlines of the instruction are:

(1) Survey on Cost Structure

The team members from the CLMV countries are required to make unit cost structures (total cost structure is also available in case that the unit cost structure cannot be cleared) of the firms of the electronics industries, automotive and related industries, and footwear and garment industries in each country. The elements of the total cost are 1) labor force, 2) transportation, 3) electricity, 4) other energies, 5) imported parts, components and raw materials, 6) parts, components and raw materials procured from the domestic market, and 7) other elements. The share of each element is reported by a unit of percentage. The difference of cost structures between “existing industries” like garments and “new industries” like the electronics and automotive and related industries is expected to explain why such new industries are minor in each country and what the bottlenecks for attracting new industries are. At the same time, the team members are required to ask why the firms of the new industries can continue to operate even though the cost structure is not efficient. Furthermore, they also have to ask whether or not the development of new products or the expansion of market is possible in case some elements of the soft and hard infrastructure will be improved in the future,

(2) Other Indicators

The team members are likewise required to ask other indicators by way of interviews with industrial associations and firms. These would include information on the average wages for workers, level of educational attainments of workers, and frequency and the longest time of black-out.

(3) Prioritized Demand and Needs for Hard and Soft Infrastructure

The team members of the CLMV countries also need to ask industrial associations and firms what is needed for the CLMV countries to attract FDI and why the CLMV countries have not been able to diversify their existing industrial structures. The demands and needs for the improvement of hard infrastructure, investment climate and human resources should likewise be inquired from the associations and firms. The possible demands and needs may be broken down into six categories: 1) labor force, 2) customs, 3) transport infrastructure logistics, including roads, ports and harbors, and airports, 4) telecommunication, 6) electricity, and 7) others. The bottlenecks for the business operation of the existing and new industries are expected to become clearer after the answers are collated and analyzed. In case some elements of the soft and hard infrastructure will be improved in the future, it should thus be also important to know whether development of new products or expansion of market is possible or not.

2.3. Questionnaire on Main Logistics Linkages with Key Trading Partners in CLMV Countries

The team members from the advanced ASEAN countries and CLMV countries, meanwhile, are also required to ask forwarders about the time, cost and frequency of

each section of major logistics routes between major cities of the country and the destination of export and between major cities and the origins of imports. Details are given by the leader of the project. He may also be requested to accompany the team members during their survey interviews, if necessary.

3. EXPECTED POLICY RECOMMENDATIONS

Among the key policy recommendations that may be formulated on the basis of the results of the surveys include the following:

- Identify advantages and disadvantages of each industry based on the analysis of the cost structure;
- Identify bottlenecks for new industries like electronics and automotives in the CLMV countries;
- Examine the possibilities of the fragmentation and relocation of some or all production blocs of new industries like electronics and automotive from the advanced ASEAN countries to the CLMV countries, and identify the challenges to be faced or are being faced by the CLMV countries in receiving such kinds of fragmentation or relocation of the new industries from the more advanced ASEAN countries;
- Compare the basic indicators like wage, educational attainment of workers, and frequency of blackouts between CLMV countries and Malaysia, Thailand and Indonesia; and
- Identify appropriate policies for upgrading and diversifying industrial structure in CLMV countries.

In terms of policy recommendations, it should be noted that what is needed are clear ideas or initiatives on how to attract more “industrial” type of FDI from the selected industries in other ASEAN countries to the CLMV countries.

4. COMPOSITION OF REPORT

4.1. Title and Author of Each Chapter

The composition of this volume is as follows:

	Executive Summary	Ruth Banomyong
Chapter 1	Introduction of the Research Project	Ruth Banomyong & Masami Ishida
Chapter 2	Survey Findings on Investment Climates of Major Cities in CLMV Countries	Masami Ishida
Chapter 3	Evaluation on Fragmentation and Relocation of Electronics Industries to CLMV Countries: View Points of Malaysia	Tan-Yii, Chang
Chapter 4	Evaluation on Fragmentation and Relocation of Electronics and Automotive and Related Industries to CLMV Countries: View Points of Thailand	Apichat Sopadang & Korrakot Yaibuathet
Chapter 5	Fragmentation of Electronics and Textile Industries from Indonesia to CLMV Countries	Shiwage Dharma Negara
Chapter 6	Infrastructure Needs in CLMC Countries for Private and State Companies: the Case of Cambodia	Hem Socheth
Chapter 7	Upgrading and Diversification of Industrial Structure and Its Challenges in Lao PDR: Prospects and Challenges	Leam Nhongvongsithid & Soukinilan Keola
Chapter 8	Upgrading and Diversification of Industries in Myanmar: Prospects and Challenges	Moe Kyaw and Toshihiro Kudo
Chapter 9	The Challenges of Upgrading and Diversifying Viet Nam’s Industrial Structure	Nguyen Binh Giang
Chapter 10	Logistics Challenges in Cambodia, Lao PDR, Myanmar and Vietnam	Ruth Banomyong

- Chapter 11 Possibility of Relocation or Fragmentation from Masami Ishida
Advanced ASEAN Countries to CLMV Countries:
Summary of Survey Results
- Chapter 12 Challenges and Prospects for Upgrading and Ruth Banomyong
Diversification of Industrial Structure in CLMV
countries

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Appendices

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Instruction for Semi-Structured Interview Focusing on Fragmentation in Advanced ASEAN Countries For Private Companies

A. Please write your contact information

Respondent No.		Name of country	
Name of company			
Address (headquarter)			
Address (factory)			
Telephone number		FAX number	
Name of respondent		Title/position	
E-Mail address			
Date/time of interview	Date:	from	: a.m./p.m. to : a.m./p.m.
Name of interviewer			

B. Company Profile

Q1. Year of establishment	_____ (in the present location)		
Q2. Other production points (including headquarters, branches, parent companies and subsidiary companies)	1. City/country		2. City/country
	3. City/country		4. City/country
	5. City/country		6. City/country
	7. City country		8. City/country
Q3. Capital structure	a. 100% Local b. 100% Foreign c. Joint venture		
	Nationality of major foreign investor in case of b. and c.:		
	Share of foreign capital in case of c.;		
Q4. Factory location	a. In Industrial estate b. In SEZ or in EPZ c. Outside of IE, SEZ & EPZ		
Q5. Major products	1. Product name:	Brand name:	
	2. Product name:	Brand name:	
	3. Product name:	Brand name:	
Q6. Industrial sector (Multiple answers)	a. Electronics b. Automotive c. Automotive-related d. Machinery e. Plastic processing f. Metal-processing g. Spinning h. Knitting i. Weaving j. Footwear k. Wood-processing l. Agro-industries m. Others [_____]		
Q7. Main business activities	a. Material supplier b. Part/component supplier c. Assembler/Manufacturer d. Distributor e. Others [_____]		
Q8. Annual output (quantity)	(Unit: _____)		
Q9. Annual sales (amount)	(Currency unit: _____)		
Q10. Total asset (registered capital)	(Currency unit: _____)		
Q11. Number of full-time employees	Persons		

C. Questions on Cost-structure

	Unit cost structure (main product)	Total cost structure
a. Labor force	_____ %	_____ %
b. Imported parts, components & raw materials	_____ %	_____ %
c. Parts, components & raw materials procured from domestic market	_____ %	_____ %
d. Transportation	_____ %	_____ %
e. Electricity	_____ %	_____ %
f. Other energies	_____ %	_____ %
g. Depreciation on machinery	_____ %	_____ %
h. Other elements	_____ %	_____ %
Total	100 %	100 %

D. Questions on Business Climate

Q1. Export ratio	_____ % (i.e. % manufactured goods that are exported)
Q2. Domestic market	(Descriptive information: cities, shares and preferences of consumers)
Q3. Relation with domestic buyers	(Descriptive information: type and contract of buyers) Ex) Who decides the design? Whether are materials supplied by buyers or not?
Q4. Export market	(Descriptive information: destinations, buyers, marketing, contracts with buyers)
Q5. Relation with exporting buyers	(Descriptive information: type and contract of buyers as same as Q3)
Q6. 1. Lead time (period between a customer's order and delivery of products) _____ days 2. Lead time (period between respondent's order for import materials and its delivery) _____ days	
Q7. Transport mode	(Descriptive information: truck, airplane, ships or multi modals)
Q8. Distance (km) & time (hours) to domestic markets	1. _____ km _____ hours 2. _____ km _____ hours 3. ...
Q9. Distance (km), time (hours) & frequency to major ports & harbors and Airports	1. _____ km _____ hours frequency _____ destination _____ 2. _____ km _____ hours frequency _____ destination _____ 3. ...
Examples for frequency for shipping: a. several times in one day b. once in one day c. several times in a week d. once in a week e. fewer than d. Examples for frequency for Flights: a. more than two flights in a day b. two flights in a day c. one flight in a day d. a few flights in a week e. fewer than d.	
Q10. Export customs clearance	1. Time consumed for customs clearance _____ hours per one container (or other unit: _____) 2. Payments needed for customs clearance _____ per one container (Currency unit: _____)
Q11. Import customs clearance	1. Time consumed for customs clearance _____ hours per one container (or other unit: _____) 2. Payments needed for customs clearance _____ per one container (Currency unit: _____)
Q11. Black-out 1. Frequency	a. Several times in a day b. Once or a few times in a week c. Once or a few times in a month d. Once or a few times in six months e. Have not experienced in a year (if none, please skip to Q12)
2. Length of period in case of the longest	a. Less than a few seconds b. a Few seconds – one minute c. One minute – five minutes d. Five minutes – thirty minutes d. Longer than thirty minutes
Q12. Average wage	1. Workers _____ (Currency unit: _____) 2. Middle managers _____ (Currency unit: _____) 3. Engineers _____ (Currency unit: _____)
Q13. Education (completed)	1. Workers a. _____% b. _____% c. _____% d. _____% e. _____% f. _____% g. _____% 2. M. Managers a. _____% b. _____% c. _____% d. _____% e. _____% f. _____% g. _____% 3. Engineers a. _____% b. _____% c. _____% d. _____% e. _____% f. _____% g. _____%
Categories: a. No formal schooling b. Elementary school c. Middle high school d. High school e. Vocational school f. College/university g. Graduate school	
Q14. Difficulties in recruitment	(Descriptive information: for worker, middle managers and engineers)

Q15. Turn-over ratio	_____ % (number of workers who left the firm/total no. of workers in 2008)
Q16. Skillfulness needed for workers	(Descriptive information: how long does it take for a new worker to become professional) Please be reminded that the skillfulness needed are different by the types of jobs

E. Questions on Fragmentation (including reinvestment or expansion elsewhere)

Q1. Competitive environment	(Descriptive information: domestic competition & international competition, toughness, Difficult to continue operation like environmental restriction, etc.)
Q2. Experience of factory relocation	1. from: _____ to: _____ 2. the reasons and what elements were successful and what elements were not good Ex) set-up cost, operation cost and service link cost (suggest transport, logistics)
Q3. Experience of considering factory relocation	Candidate places for relocation: _____ the reasons and evaluations on the candidates [_____] Ex) set-up cost, operation cost and service link cost (suggest transport, logistics)

F. Evaluation of Investment Climate in CLMV Countries

Q1. Perception on CLMV countries	Please just ask the respondent, "Do you know CLMV countries well? Yes () No () How about perception? _____																		
<p>Q2. Please ask respondents to rank the following investment climate elements (1=most important, 2=second ... 9=least).</p> <table border="0"> <tr> <td>a. land price for owning or leasing</td> <td>b. wage level for workers</td> <td>c. price of energy or electricity</td> </tr> <tr> <td>d. price of water for industrial use</td> <td>e. access to port & markets</td> <td>f. educational level of workers</td> </tr> <tr> <td>g. population and GDP per capita of the country</td> <td>h. incentives like tax holidays</td> <td>i. others [specify _____]</td> </tr> </table> <p>1. _____ 2. _____ 3. _____ 4. _____ 5. _____ 6. _____ 7. _____ 8. _____ 9. _____</p> <p><u>Examples for others:</u></p> <table border="0"> <tr> <td>a. quality and cost of logistics services</td> <td>b. quality of suppliers and services</td> <td>c. time to go through customs</td> </tr> <tr> <td>d. level of unseen cos</td> <td>e. availability of managerial, technical staff</td> <td>f. ease of getting expatriate working visas</td> </tr> <tr> <td>g. ICT availability</td> <td>h. political stability</td> <td>i. risks to production delays</td> </tr> </table>		a. land price for owning or leasing	b. wage level for workers	c. price of energy or electricity	d. price of water for industrial use	e. access to port & markets	f. educational level of workers	g. population and GDP per capita of the country	h. incentives like tax holidays	i. others [specify _____]	a. quality and cost of logistics services	b. quality of suppliers and services	c. time to go through customs	d. level of unseen cos	e. availability of managerial, technical staff	f. ease of getting expatriate working visas	g. ICT availability	h. political stability	i. risks to production delays
a. land price for owning or leasing	b. wage level for workers	c. price of energy or electricity																	
d. price of water for industrial use	e. access to port & markets	f. educational level of workers																	
g. population and GDP per capita of the country	h. incentives like tax holidays	i. others [specify _____]																	
a. quality and cost of logistics services	b. quality of suppliers and services	c. time to go through customs																	
d. level of unseen cos	e. availability of managerial, technical staff	f. ease of getting expatriate working visas																	
g. ICT availability	h. political stability	i. risks to production delays																	
<p>Q3. Please ask respondents to evaluate the investment in CLMV countries <u>after showing the basic information on investment climate in CLMV countries</u> (This question is a key, but please make the questions simpler if the respondent is not interested in each CLMV country)</p> <p>1. Please ask the respondent to evaluate each investment climate element of each country (Cambodia, Laos, Myanmar, Vietnam).</p> <p>2. Please ask what the advantages for each country are.</p> <p>3. Please ask what the disadvantages for each country are.</p> <p>4. Please ask whether the respondent would consider investing or whether the respondents can operate in each country.</p> <p>5. If the answer is negative for one country in the previous country, please ask the respondent what kind of improvements can change the respondent's mind positive.</p>																			
Q4. Perception on other countries in comparison with CLMV countries (as a potential location for investment)	Ex) a. China b. India c. Bangladesh d. Pakistan																		

THANK YOU VERY MUCH.

**Instruction for Semi-Structured Interview Focusing on Fragmentation
in Advanced ASEAN Countries for Business Association (Chamber of Commerce)**

G. Please write your contact information

Respondent No.		Name of country	
Name of organization			
Address			
Address (factory)			
Telephone number		FAX number	
Name of respondent		Title/position	
E-Mail address			
Date/time of interview	Date:	from	: a.m./p.m. to : a.m./p.m.
Name of interviewer			

H. Business association profile

Q1. Number of member companies	
Q2. Year of establishment of association	
Q3. History of the industry	(Descriptive information)
Q4. Competitive environment of industry	(Descriptive information: domestic competition & international competition, toughness, difficulties to continue operation like environmental restriction, etc.)
Q5. Major products (produced by member firms of the business association)	4. Product name: Brand name:
	5. Product name: Brand name:
	6. Product name: Brand name:
Q7. Annual output of the industry (quantity)	(Unit:)
Q8. Annual sales of the industry (amount)	(Currency unit:)
Q9. Number of full-time employees of the industry	Persons

I. Other Questions (just ask the trend of business association member firms as far as respondents can answer)

Q1. Export Ratio	_____ % (i.e. % manufactured goods that are exported)
Q2. Domestic market	(Descriptive information: cities, shares and preferences of consumers)
Q3. Relation with domestic buyers	(Descriptive information: type and contract of buyers) Ex) Who decides the design? Whether are materials supplied by buyers or not?
Q4. Export market	(Descriptive information: destinations, buyers, marketing, contracts with buyers)
Q5. Relation with exporting buyers	(Descriptive information: type and contract of buyers as same as Q3)
Q6. Transport mode	(Descriptive information: truck, airplane, ships or multi modals)
Q7. Distance (km) & time (hours) to domestic markets	1. _____ km _____ hours 2. _____ km _____ hours 3. ...
Q8. Distance (km), time (hours) & frequency to major ports & harbors	1. _____ km _____ hours frequency _____ 2. _____ km _____ hours frequency _____ 3. ...
Examples for shipping frequency: a. several times in one day b. once in one day c. several times in a week d. once in a week e. fewer than d.	

Q10. Export customs clearance		1. Time consumed for customs clearance _____ hours per one container (or other unit: _____)
		2. Payments needed for customs clearance _____ per one container (Currency unit: _____)
Q11. Import customs clearance		1. Time consumed for customs clearance _____ hours per one container (or other unit: _____)
		2. Payments needed for customs clearance _____ per one container (Currency unit: _____)
Q12. Black-out	1. Frequency	a. Several times in a day b. Once or a few times in a week c. Once or a few times in a month d. Once or a few times in six months e. Have not experienced in a year
	2. Length of period in case of the longest	a. Less than a few seconds b. A few seconds – one minute c. One minute – five minutes d. Five minutes – thirty minutes d. Longer than thirty minutes
Q13. Average wage (Trend of members)	1. Workers _____ (Currency unit: _____)	2. Middle managers _____ (Currency unit: _____)
	3. Engineers _____ (Currency unit: _____)	
Q14. Education (Completed)	1. Workers	a. _____% b. _____% c. _____% d. _____% e. _____% f. _____% g. _____%
	2. M. Managers	a. _____% b. _____% c. _____% d. _____% e. _____% f. _____% g. _____%
	3. Engineers	a. _____% b. _____% c. _____% d. _____% e. _____% f. _____% g. _____%
Categories: a. No schooling b. Elementary school c. Middle high school d. High school e. Vocational school f. College/university g. Graduate school		
Q15. Difficulties in recruitment	(Descriptive information: for worker, middle managers and engineers)	
Q16. Turn-over ratio of staff	_____ % (number of workers who left the firm/total no. of workers in 2008)	
Q17. Skillfulness needed for workers	(Descriptive information: how long does it take for a new worker to become professional) Please be reminded that the skillfulness needed are different by the types of jobs	

J. Questions on Fragmentation (including reinvestment or expansion elsewhere)

Q1. Trend of factory relocation	1. Countries to relocation: _____ 2. the reasons for the relocation to above-mentioned countries Ex) set-up cost, operation cost and service link cost (suggest transport and logistics)
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K. Evaluation of Investment Climate in CLMV Countries

Q1. Perception on CLMV countries	Please just ask the respondent, “Do you know CLMV countries well? Yes () No () How about perception? _____
Q2. Please ask respondents to rank to the following investment climate elements in accordance with the priority order.	
a. land price for owning or leasing b. wage level for workers c. price of energies or electricity d. price of water for industrial use e. access to port & markets f. educational level of workers g. population and GDP per capita of the country h. incentives like tax holidays i. others [_____]	
1. _____ 2. _____ 3. _____ 4. _____ 5. _____ 6. _____ 7. _____ 8. _____ 9. _____	
Examples for others: a. quality and cost of logistics services b. quality of suppliers and services c. time to go through customs d. level of unseen cos e. availability of managerial, technical staff f. ease of getting expatriate working visas g. ICT availability h. political stability i. risks to production delays.	
Q3. Please ask respondents to evaluate the investment in CLMV countries <u>after showing the basic information on investment climate in CLMV countries.</u>	
1. Please ask the respondent to evaluate each investment climate element of each country (Cambodia, Laos, Myanmar, Vietnam). 2. Please ask what the advantages for each country are. 3. Please ask what the disadvantages for each country are.	

4. Please ask whether the respondents would consider investing or whether the respondents can operate in each country.	
5. If the answer is negative for one country in the previous country, please ask the respondent what kind of improvements can change the respondent's mind positive.	
Q4. Perception on other countries in comparison with CLMV countries (as a potential location for investment)	Ex) a. China b. India c. Bangladesh d. Pakistan

L. Introduction of member companies

Please ask the respondent to introduce member firms which are appropriate to this semi-structured survey.

Name of organization			
Address			
Telephone number		FAX number	
Name of respondent		Title/position	
E-Mail address			

Name of organization			
Address			
Telephone number		FAX number	
Name of respondent		Title/position	
E-Mail address			

Name of organization			
Address			
Telephone number		FAX number	
Name of respondent		Title/position	
E-Mail address			

Name of organization			
Address			
Telephone number		FAX number	
Name of respondent		Title/position	
E-Mail address			

Name of organization			
Address			
Telephone number		FAX number	
Name of respondent		Title/position	
E-Mail address			

THANK YOU VERY MUCH.

Instruction for Semi-Structured Interview Focusing on Hard and Soft Infrastructure Needs in CLMV Countries for Private Companies

M. Please write your contact information

Respondent No.		Name of country	
Name of company			
Address (headquarter)			
Address (factory)			
Telephone number		FAX number	
Name of respondent		Title/position	
E-Mail address			
Date/time of interview	Date: _____ from _____ : a.m./p.m. to _____ : a.m./p.m.		
Name of interviewer			

N. Company Profile

Q1. Year of establishment	_____ (in the present location)		
Q2. Other production points (including headquarters, branches, parent companies and subsidiary companies)	9. City/country		10. City/country
	11. City/country		12. City/country
	13. City/country		14. City/country
	15. City country		16. City/country
Q3. Capital structure	a. 100% local b. 100% foreign c. Joint venture		
	Nationality of major foreign investor in case of b. and c.:		
	Share of foreign capital in case of c.;		
Q4. Factory location	a. In industrial estate b. In SEZ or in EPZ c. Outside of IE, SEZ & EPZ		
Q5. Major products	7. Product name:	Brand name:	
	8. Product name:	Brand name:	
	9. Product name:	Brand name:	
Q6. Industrial sector (Multiple answers)	a. Electronics b. Automotive c. Automotive-related d. Machinery e. Plastic processing f. Metal-processing g. Spinning h. Knitting i. Weaving j. Footwear k. Wood-processing l. Agro-industries m. Others [_____]		
Q7. Main business activities	a. Material Supplier b. Part/Component Supplier c. Assembler/Manufacturer d. Distributor e. Others [_____]		
Q8. Annual output (quantity)	(Unit: _____)		
Q9. Annual sales (amount)	(Currency Unit: _____)		
Q10. Total asset (registered capital)	(Currency Unit: _____)		
Q11. Number of full-time employees	Persons		

O. Questions on Cost-structure

	Unit cost structure (main product)	Total cost structure
a. Labor force	_____ %	_____ %
b. Imported parts, components & raw materials	_____ %	_____ %
c. Parts, components & raw materials procured from domestic market	_____ %	_____ %
d. Transportation	_____ %	_____ %
e. Electricity	_____ %	_____ %
f. Other energies	_____ %	_____ %
g. Depreciation on machinery	_____ %	_____ %
h. Other elements	_____ %	_____ %
Total	100 %	100 %

P. Other Questions

Q1. Export ratio	_____ % (i.e. % manufactured goods that are exported)
Q2. Domestic market	(Descriptive information: cities, shares and preferences of consumers)
Q3. Relation with domestic buyers	(Descriptive information: type and contract of buyers) Ex) Who decides the design? Whether are materials supplied by buyers or not?
Q4. Export market	(Descriptive information: destinations, buyers, marketing, contracts with buyers)
Q5. Relation with exporting buyers	(Descriptive information: type and contract of buyers as same as Q3)
Q6. 1. Lead time (period between a customer's order and delivery of products) _____ days 2. Lead time (period between respondent's order for import materials and its delivery) _____ days	
Q7. Transport mode	(Descriptive information: truck, airplane, ships or multi modals)
Q8. Distance (km) & time (hours) to domestic markets	1. _____ km _____ hours 2. _____ km _____ hours 3. ...
Q9. Distance (km), time (hours) & frequency to major ports & harbors	1. _____ km _____ hours frequency _____ destination _____ 2. _____ km _____ hours frequency _____ destination _____ 3. ...
Examples for frequency for shipping: a. several times in one day b. once in one day c. several times in a week d. once in a week e. fewer than d. Examples for frequency for Flights: a. more than two flights in a day b. two flights in a day c. one flight in a day d. a few flights in a week e. fewer than d.	
Q10. Export customs clearance	1. Time consumed for customs clearance _____ hours per one container (or other unit: _____) 2. Payments needed for customs clearance _____ per one container (Currency unit: _____)
Q11. Import customs clearance	1. Time consumed for customs clearance _____ hours per one container (or other unit: _____) 2. Payments needed for customs clearance _____ per one container (Currency unit: _____)
Q12. Black-out	a. Several times in a day b. Once or a few times in a week c. Once or a few times in a month d. Once or a few times in six months e. Have not experienced in a year (if none, please skip to Q12)
1. Frequency	
2. Length of period in case of the longest	a. Less than a few seconds b. A few seconds – one minute c. One minute – five minutes d. Five minutes – thirty minutes d. Longer than thirty minutes
Q13. Average wage	1. Workers _____ (Currency unit: _____) 2. Middle managers _____ (Currency unit: _____) 3. Engineers _____ (Currency unit: _____)
Q14. Education (Completed)	1. Workers a. _____% b. _____% c. _____% d. _____% e. _____% f. _____% g. _____% 2. M. Managers a. _____% b. _____% c. _____% d. _____% e. _____% f. _____% g. _____% 3. Engineers a. _____% b. _____% c. _____% d. _____% e. _____% f. _____% g. _____%
Categories: a. No formal schooling b. Elementary school c. Middle high school d. High school e. Vocational school f. College/university g. Graduate school	
Q14. Difficulties in recruitment	(Descriptive information: for worker, middle managers and engineers)
Q15. Turn-over ratio	_____ % (number of workers who left the firm/total no. of workers in 2008)

Q16. Skillfulness needed for workers	(Descriptive information: how long does it take for a new worker to become professional) Please be reminded that the skillfulness needed are different by the types of jobs
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Q. Needs and Demand for Improvements of Soft and Hard Infrastructure

Q1. Please ask the respondent what is needed to attract more FDI.
Q2. Please ask the respondent why the CLMV countries have not been able to diversify the existing industrial structure.
Q3. Please ask respondents to enumerate <u>the needs and demands</u> freely. In case that the respondent does not answer well, suggesting one of the examples B on the following pages can be effective. In suggesting, please present the larger categories like labor force, customs, transport & logistics, telecommunication and electricity. This question is very important, so please ask using 5W1H (Who, when, where, what, why, how) concretely. Finally, after the enumeration and detailed explanation of the needs and demands, please ask the respondent to give priorities on the ones. 1. _____ 2. _____ 3. _____ 4. _____ 5. _____ ...
Q4. Please ask the developments of the enumerated needs and demands in Q1 in the last three years. Has each of the needs and demands been worsened, not improved, not changed, improved or much improved? And ask why?
Q5. Please ask respondents on the prospects of the enumerated needs and demands in Q1 in the next few years. Will each of the needs and demands be worsened, not improved, not changed, improved or much improved? And ask why?
Q6. Please ask the supposed effects on the business with the assumption that each of the needs and demands were realized. If the respondent does not answer well, suggesting one of the following examples A can be effective. Examples A: a. Productivity increase b. Recruitment become easier c. R & D become possible d. Cost decrease e. Sales increase f. Can expand new market g. Transport time decrease h. Transport cost decrease i. Lead time decrease j. Export destination increase k. Value of export increase l. Production can increase m. Can reduce branches n. Generator become unnecessary o. Become effective for marketing p. Fund raising become easier q. Producing higher value added products can become possible r. Others [_____]

[Examples B]

1 Labor Issues (human resource development)

- 1-1 Enforcement against illegal strikes
- 1-2 Establishment of vocational training school for new workers
- 1-3 Establishment of vocational training school for existing workers
- 1-4 Establishment of technical college for new engineers
- 1-5 Establishment of technical college for existing engineers
- 1-6 Establishment of institutes of technology for new engineers
- 1-7 Establishment of institutes of technology for existing engineers
- 1-8 Establishment of business school for new managers
- 1-9 Establishment of business school for existing managers
- 1-10 Opportunities of on the job training in developed countries for existing engineers
- 1-11 Opportunities of on the job training in developed countries for existing managers

2 Investment Climate

- 2-1-1 Improvement of time taken for customs clearance at port & harbor for import

- 2-1-2 Improvement of time taken for customs clearance at port & harbor for export
- 2-1-3 Improvement of time taken for customs clearance at port & airport for import
- 2-1-4 Improvement of time taken for customs clearance at port & airport for export
- 2-1-5 Improvement of time taken for customs clearance at EPZ for import
- 2-1-6 Improvement of time taken for customs clearance at EPZ for export
- 2-1-7 Improvement of time taken for customs clearance at border for import
- 2-1-8 Improvement of time taken for customs clearance at border for export
- 2-2-1 Decrease in cost for customs clearance at port & harbor for import
- 2-2-2 Decrease in cost for customs clearance at port & harbor for export
- 2-2-3 Decrease in cost for customs clearance at port & airport for import
- 2-2-4 Decrease in cost for customs clearance at port & airport for export
- 2-2-5 Decrease in cost for customs clearance at EPZ for import
- 2-2-6 Decrease in cost for customs clearance at EPZ for export
- 2-2-7 Decrease in cost for customs clearance at border for import
- 2-2-8 Decrease in cost for customs clearance at border for export
- 2-3-1 Improvement of corruption by customs officers at port & harbor for import
- 2-4-1 Improvement of corruption by customs officers at port & harbor for export
- 2-4-2 Improvement of corruption by customs officers at port & airport for import
- 2-4-3 Improvement of corruption by customs officers at port & airport for export
- 2-4-4 Improvement of corruption by customs officers at EPZ for import
- 2-4-5 Improvement of corruption by customs officers at EPZ for export
- 2-4-6 Improvement of corruption by customs officers at border for import
- 2-4-7 Improvement of the system of tax incentive scheme.

3 Transport and logistics

- 3-1 Improvement of smoothness of road infrastructure near the factories
- 3-2 Improvement of smoothness of road infrastructure to the major city
- 3-3 Improvement of smoothness of road infrastructure to the port and harbor
- 3-4 Improvement of smoothness of road infrastructure to the airport
- 3-5 Improvement of time consumed for logistics to the national road
- 3-6 Improvement of time consumed for logistics to the major city
- 3-7 Improvement of time consumed for logistics to the port & harbor
- 3-8 Improvement of time consumed for logistics to the airport
- 3-9 Decrease in cost for logistics to the national road
- 3-10 Decrease in cost for logistics to the major city
- 3-11 Decrease in cost for logistics to the port & harbor
- 3-12 Decrease in cost for logistics to the airport
- 3-13 Improvement of price of gasoline
- 3-14 Improvement of railway cargo station
- 3-15 Improvement of time consumed at container terminals at port & harbor

- 3-16 Improvement of container terminal handling charge at port & harbor
- 3-17 Improvement of time consumed at container terminals at airport
- 3-18 Improvement of airport tax at airport
- 3-19 Increase in frequency of ships at port & harbor
- 3-20 Increase in frequency of flights at airport

4 Telecommunication

- 4-1 Improvement of cost for fixed phones
- 4-2 Improvement of quality for fixed phones
- 4-3 Improvement of quantity for fixed phone lines (difficult to connect)
- 4-4 Improvement of cost for mobile phones
- 4-5 Improvement of quality for mobile phones
- 4-6 Improvement of quantity for mobile phone stations (difficult to connect)
- 4-7 Improvement of cost for internet price
- 4-8 Improvement of speed to access to internet

5 Electricity

- 5-1 Improvement in decreasing black-out
- 5-2 Improvement in electricity price
- 5-3 Improvement of lower priced emergency generator
- 5-4 Improvement of quantity of water for general use
- 5-5 Improvement of quality of water for general use
- 5-6 Improvement in water price for general use
- 5-7 Improvement of quantity of water for industrial use
- 5-8 Improvement of quality of water for industrial use
- 5-9 Improvement in water price for industrial use

**Instruction for Semi-Structured Interview Focusing on Hard and Soft Infrastructure Needs
in CLMV Countries for Business Association (Chamber of Commerce)**

R. Please write your contact information

Respondent No.		Name of country	
Name of organization			
Address			
Telephone number		FAX number	
Name of respondent		Title/position	
E-Mail address			
Date/time of interview	Date:	from	: a.m./p.m. to : a.m./p.m.
Name of interviewer			

S. Business association profile

Q1. Number of member companies	
Q2. Year of establishment of association	
Q3. History of the industry	(Descriptive information)
Q4. Competitive environment of industry	(Descriptive information: domestic competition & international competition, toughness, difficulties to continue operation like environmental restriction, etc.)
Q5. Major products (produced by member firms of the business association)	10. Product name: Brand name:
	11. Product name: Brand name:
	12. Product name: Brand name:
Q7. Annual output of the industry (quantity)	(Unit:)
Q8. Annual sales of the industry (amount)	(Currency unit:)
Q9. Number of full-time employees of the industry	Persons

T. Questions on cost-structure (depends on rough feeling of respondent, but please check whether the value summed up is equal to 100% or not)

	Unit cost structure	Total cost structure
a. Labor force	_____ %	_____ %
b. Imported parts, components & raw materials	_____ %	_____ %
c. Parts, components & raw materials procured from domestic market	_____ %	_____ %
d. Transportation	_____ %	_____ %
e. Electricity	_____ %	_____ %
f. Other energies	_____ %	_____ %
g. Depreciation on machinery	_____ %	_____ %
h. Other elements	_____ %	_____ %
Total	100 %	100 %

Note) This question is not needed for policy makers.

U. Other Questions (just ask the trend of business association member firms as far as respondents can answer)

Q1. Export Ratio	_____ % (i.e. % manufactured goods that are exported)
Q2. Domestic market	(Descriptive information: cities, shares and preferences of consumers)
Q3. Relation with domestic buyers	(Descriptive information: type and contract of buyers) Ex) Who decides the design? Whether are materials supplied by buyers or not?
Q4. Export market	(Descriptive information: destinations, buyers, marketing, contracts with buyers)
Q5. Relation with exporting buyers	(Descriptive information: type and contract of buyers as same as Q3)
Q6. Transport mode	(Descriptive information: truck, airplane, ships or multi modals)
Q7. Distance (km) & time (hours) to domestic markets	1. _____ km _____ hours 2. _____ km _____ hours 3. ...
Q8. Distance (km), time (hours) & frequency to major ports & harbors	1. _____ km _____ hours frequency _____ 2. _____ km _____ hours frequency _____ 3. ...
Examples for shipping frequency: a. several times in one day b. once in one day c. several times in a week d. once in a week e. fewer than d.	
Q9. Export customs clearance	1. Time consumed for customs clearance _____ hours per one container (or other unit: _____) 2. Payments needed for customs clearance _____ per one container (Currency unit: _____)
Q10. Import customs clearance	1. Time consumed for customs clearance _____ hours per one container (or other unit: _____) 2. Payments needed for customs clearance _____ per one container (Currency unit: _____)
Q11. Black-out 1. Frequency	a. Several times in a day b. Once or a few times in a week c. Once or a few times in a month d. Once or a few times in six months e. Have not experienced in a year
2. Length of period in case of the longest	a. Less than a few seconds b. a Few seconds – one minute c. One minute – five minutes d. Five minutes – thirty minutes d. Longer than thirty minutes
Q12. Average wage	1. Workers _____ (Currency unit: _____) 2. Middle managers _____ (Currency unit: _____) 3. Engineers _____ (Currency unit: _____)
Q13. Education (Completed)	1. Workers a. _____% b. _____% c. _____% d. _____% e. _____% f. _____% g. _____% 2. M. Managers a. _____% b. _____% c. _____% d. _____% e. _____% f. _____% g. _____% 3. Engineers a. _____% b. _____% c. _____% d. _____% e. _____% f. _____% g. _____%
Categories: a. No schooling b. Elementary school c. Middle high school d. High school e. Vocational school f. College/university g. Graduate school	
Q14. Difficulties in recruitment	(Descriptive information: for worker, middle managers and engineers)
Q15. Turn-over ratio	_____ % (number of workers who left the firm/total no. of workers in 2008)
Q16. Skillfulness Needed for Workers	(Descriptive information: how long does it take for a new worker to become professional) Please be reminded that the skillfulness needed are different by the types of jobs

V. Needs and Demand for Improvements of Soft and Hard Infrastructure (After finish, please jump to F)

Q1. Please ask the respondent what is needed to attract more FDI.
Q2. Please ask the respondent why the CLMV countries have not been able to diversify the existing industrial structure.
Q3. Please ask respondents to enumerate <u>the needs and demands</u> freely. In case that the respondent does not answer well, suggesting one of the examples B on the following pages can be effective. In suggesting, please present the larger categories like labor force, customs, transport & logistics, telecommunication and electricity. This question is very important, so please ask using 5W1H (Who, when, where, what, why, how) concretely. Finally, after the enumeration and detailed explanation of the needs and demands, please ask the respondent to give priorities on the ones. 1. _____ 2. _____ 3. _____ 4. _____ 5. _____ ...
Q4. Please ask the developments of the enumerated needs and demands in Q1 in the last three years. Has each of the needs and demands been worsened, not improved, not changed, improved or much improved? And ask why?
Q5. Please ask the prospects of the enumerated needs and demands in Q1 in the next few years. Will each of the needs and demands be worsened, not improved, not changed, improved or much improved? And ask why?
Q6. Please ask the supposed effects on the business with the assumption that each of the needs and demands were realized. If the respondent does not answer well, suggesting one of the following examples A can be effective. Examples A: a. Productivity increase b. Recruitment become easier c. R & D become possible d. Cost decrease e. Sales increase f. Can expand new market g. Transport time decrease h. Transport cost decrease i. Lead time decrease j. Export destination increase k. Value of export increase l. Production can increase m. Can reduce branches n. Generator become unnecessary o. Become effective for marketing p. Fund raising become easier q. Producing higher value added products can become possible r. Others [_____]

[Examples B]

6 Labor Issues (human resource development)

- 1-1 Enforcement against illegal strikes
- 1-2 Establishment of vocational training school for new workers
- 1-3 Establishment of vocational training school for existing workers
- 1-4 Establishment of technical college for new engineers
- 1-5 Establishment of technical college for existing engineers
- 1-6 Establishment of institutes of technology for new engineers
- 1-7 Establishment of institutes of technology for existing engineers
- 1-8 Establishment of business school for new managers
- 1-9 Establishment of business school for existing managers
- 1-10 Opportunities of on the job training in developed countries for existing engineers
- 1-11 Opportunities of on the job training in developed countries for existing managers

7 Investment Climate

- 2-1-1 Improvement of time taken for customs clearance at port & harbor for import
- 2-1-2 Improvement of time taken for customs clearance at port & harbor for export
- 2-1-3 Improvement of time taken for customs clearance at port & airport for import
- 2-1-4 Improvement of time taken for customs clearance at port & airport for export

- 2-1-5 Improvement of time taken for customs clearance at EPZ for import
- 2-1-6 Improvement of time taken for customs clearance at EPZ for export
- 2-1-7 Improvement of time taken for customs clearance at border for import
- 2-1-8 Improvement of time taken for customs clearance at border for export
- 2-2-1 Decrease in cost for customs clearance at port & harbor for import
- 2-2-2 Decrease in cost for customs clearance at port & harbor for export
- 2-2-3 Decrease in cost for customs clearance at port & airport for import
- 2-2-4 Decrease in cost for customs clearance at port & airport for export
- 2-2-5 Decrease in cost for customs clearance at EPZ for import
- 2-2-6 Decrease in cost for customs clearance at EPZ for export
- 2-2-7 Decrease in cost for customs clearance at border for import
- 2-2-8 Decrease in cost for customs clearance at border for export
- 2-3-1 Improvement of corruption by customs officers at port & harbor for import
- 2-4-1 Improvement of corruption by customs officers at port & harbor for export
- 2-4-2 Improvement of corruption by customs officers at port & airport for import
- 2-4-3 Improvement of corruption by customs officers at port & airport for export
- 2-4-4 Improvement of corruption by customs officers at EPZ for import
- 2-4-5 Improvement of corruption by customs officers at EPZ for export
- 2-4-6 Improvement of corruption by customs officers at border for import
- 2-4-7 Improvement of the system of tax incentive scheme.

8 Transport and logistics

- 3-1 Improvement of smoothness of road infrastructure near the factories
- 3-2 Improvement of smoothness of road infrastructure to the major city
- 3-3 Improvement of smoothness of road infrastructure to the port and harbor
- 3-4 Improvement of smoothness of road infrastructure to the airport
- 3-5 Improvement of time consumed for logistics to the national road
- 3-6 Improvement of time consumed for logistics to the major city
- 3-7 Improvement of time consumed for logistics to the port & harbor
- 3-8 Improvement of time consumed for logistics to the airport
- 3-9 Decrease in cost for logistics to the national road
- 3-10 Decrease in cost for logistics to the major city
- 3-11 Decrease in cost for logistics to the port & harbor
- 3-12 Decrease in cost for logistics to the airport
- 3-13 Improvement of price of gasoline
- 3-14 Improvement of railway cargo station
- 3-15 Improvement of time consumed at container terminals at port & harbor
- 3-16 Improvement of container terminal handling charge at port & harbor
- 3-17 Improvement of time consumed at container terminals at airport
- 3-18 Improvement of airport tax at airport

3-19 Increase in frequency of ships at port & harbor

3-20 Increase in frequency of flights at airport

9 Telecommunication

4-1 Improvement of cost for fixed phones

4-2 Improvement of quality for fixed phones

4-3 Improvement of quantity for fixed phone lines (difficult to connect)

4-4 Improvement of cost for mobile phones

4-5 Improvement of quality for mobile phones

4-6 Improvement of quantity for mobile phone stations (difficult to connect)

4-7 Improvement of cost for internet price

4-8 Improvement of speed to access to internet

10 Electricity

5-1 Improvement in decreasing black-out

5-2 Improvement in electricity price

5-3 Improvement of lower priced emergency generator

5-4 Improvement of quantity of water for general use

5-5 Improvement of quality of water for general use

5-6 Improvement in water price for general use

5-7 Improvement of quantity of water for industrial use

5-8 Improvement of quality of water for industrial use

5-9 Improvement in water price for industrial use

11 Others

W. Introduction of member companies

Please ask the respondent to introduce member firms which are appropriate to this semi-structured survey.

Name of organization			
Address			
Telephone number		FAX number	
Name of respondent		Title/position	
E-Mail address			

Name of organization			
Address			
Telephone number		FAX number	
Name of respondent		Title/position	
E-Mail address			

Name of organization			
Address			
Telephone number		FAX number	
Name of respondent		Title/position	
E-Mail address			

Name of organization			
Address			
Telephone number		FAX number	
Name of respondent		Title/position	
E-Mail address			

Name of organization			
Address			
Telephone number		FAX number	
Name of respondent		Title/position	
E-Mail address			

Table Basic Information on Investment Climate in CLMV Countries

	Cambodia			Laos	Myanmar	Vietnam		
	Poipet	Phnom Penh	Bavet	Vientiane	Yangon	Hanoi	HCMC	Danang
Land Ownership (US\$ per m ² per Month) ¹⁾	US\$ 30	US\$ 50	US\$ 25 - 33	-	-	-	-	-
Land Leases (US\$ per m ²)	US\$ 30	US\$ 50		US\$ 0.5 - 1.0 ²⁾	US\$0.15 - 0.26	US\$ 50-55	US\$ 85	US\$ 16
Water Supply Charges (Cent per m ³)	¢ 35	¢ 33	¢ 15	US\$ 4.8 or ¢ 60 ³⁾	¢ 88	¢ 29.2	¢ 15.9-47.1	¢ 16.3
Electricity Charges (Cent per KWh)	¢ 12	¢ 19.3	¢ 12.65	¢ 3.0	¢ 0.08 ⁴⁾	¢ 2.8-10.3	¢ 2.8-10.3	¢ 2.8-10.3
Minimum wage (US\$ per Month)	US\$ 56	US\$ 56	US\$ 56	US\$ 28	-	US\$ 70.7	US\$ 70.7	US\$ 70.7
Average wage for workers	n.a.	US\$ 80	US\$ 80	US\$ 30-40	US\$ 16.3	US\$ 95.8	US\$ 95.8	US\$ 95.8
Distance to ports and harbor (km)	n.a.	20km or 210km ⁵⁾	70km	720km	24km or 50km ⁶⁾	114km	30km	19km
Education Level of Majority of Workers ⁷⁾	Elementary & Junior High School (J.H.)			Elementary and J.H.	J.H.	High School		
Middle Managers	High School			College/Univ.	College/Univ.	College/University		
Engineers	Technical/Vocational and College/Univ.			College/Univ.	Technical/Vocational	College/University		
Population (Thousand Persons)	14,356			5,763	58,510	86,160		
GDP per Capita (US\$)	US\$ 756.1			US\$ 917.8	US\$ 464.6	US\$ 1052.7		
Corporate Tax Ratio ⁸⁾	9%, <u>20%</u>			7.5 - <u>20%</u>		10%, 15%, 20%, <u>28%</u>		
Tax Holiday Periods (Years)	3-9 years			2 Years	3 Years	2 - 4 Years		

(Notes) 1) Firms with the nationality of Cambodia, which means that the share of Cambodian capital is 51% or larger than it, can own land. Foreign investors cannot own land in Lao PDR, Myanmar and Vietnam.

2) The land lease price is average price of land around Vientiane, and the land concession price is US\$ 30 -50 in the same area.

3) US\$ 4.8 is the case that the consumption is 10 m³ or larger than it and ¢ 60 is the case that it is less than 10 m³. Both cases are for non-residents.

4) The electricity price of Myanmar is lower, but it is often heard from investors that the black-out is frequent and electric generator is needed.

5) 20km is the case from Phnom Penh SEZ to Phnom Penh River Port and 210 km is the case to Sihanoukville Port.

6) 24km is the case from Mingaladon Industrial Park to Yangon Port and 50km is the case to Thilawa Port.

7) These data are based on the results of survey done for ERIA project in the fiscal year of 2008.

8) Corporate tax ratio does not include the cases during tax holiday period and the bold and underlined ratio means the tax ratio without tax incentives.

(Source) JETRO, ASEAN Secretariat, Japan-ASEAN Center, Brochures of Industrial Estates and Other Information Source.