



7<sup>TH</sup> INTERNATIONAL CONFERENCE

# Actual Economy

SOCIAL  
CHALLENGES  
AND FINANCIAL  
ISSUES IN XXI CENTURY



**ACE:FIIS**  
**@ 2017**  
Saint-Petersburg.RU

CO-ORGANIZED BY:

FACULTY OF MANAGEMENT SCIENCE  
SUAN SUNANDHA RAJABHAT UNIVERSITY,  
BANGKOK, THAILAND

PETER THE GREAT POLYTECHNIC  
UNIVERSITY, S.-PETERSBURG, RUSSIA

CO-SPONSORED:

UNIVERSITY OF ECONOMICS IN BRATISLAVA, SLOVAKIA

TABLE OF CONTAIN

Conference agenda	7
<b>Chapter 1.</b>	
<b>Problems of economic integration and SME development in ASEAN region</b>	19
Equity and efficiency: factors of interdependence in modern social and economic dynamics	
	<i>Prateep Wajeetongratana</i>
Thailand's SMEs Competitiveness within ACE: prospects, problems and opportunities	20
	<i>Kunphattra Patarapongsathon</i>
Management style and Employee' s Job Satisfaction (the case of Local and International hotels chains in Thailand)	25
	<i>Chanpen Meenakorn</i>
Marketing Mix of Thai Cooking and Thai Massage Teaching Service for Foreign Tourists	29
	<i>Thammamonr Khunrattanaporn</i>
Affecting Factors of the Palm Oil Price and AEC Trade Impact	36
	<i>Pichamon Chansuchai</i>
Consumer Behavior and Marketing Mixed Factor Effect on Consumer Decision Making for Thai Movies Presented in EGV Seacon Bangkae cinema	43
	<i>Pongsawee Supanonth</i>
Development of Trading Service on Thai Border Transport in ASEAN Free Trade Area : Case Study Ranong Province	48
	<i>Sakapas Saengchai</i>
Factors Affecting the Organizational Performance of Direct Sales Business in Thailand	52
	<i>Nattapong Techarattanased</i>
Investigating Innovative Organizational Performance of Small and Medium Enterprises in Thailand	57
	<i>Bundit Pungnirund</i>
An Investigate on the Antecedents Influencing Online Brand Equity of E-Marketplace in Thailand	64
	<i>Wanida Suwunniponth</i>
Insuring Consumption Against The Health Shocks: A case of Thailand	70
	<i>Yuthapoom Thanakijborisut</i>
Factors of consumers' preferences: analyzing and predicting to increase sales of organic food (the case of Thailand)	76
	<i>Rewadee Waiyawassana</i>
Digital economy as a factor of Small Medium Enterprise Empowering (the case of Indonesia)	80
	<i>Supaporn Prajongjai</i> <i>Somtop Keawchauer</i>

## **Actual Economy: Social Challenges and Financial Issues in XXI century**

The Model of Ethical Standard for Communication Arts Students	<i>Supralee Wattanasin</i>	90
Thailand Contemporary History of Newspaper: From the Revolution to Reformation Era	<i>Surasit Vithayarat</i>	94
<b>Chapter 2.</b>		
<b>International labor market development and modern HR-practices</b>		99
Gender Pay Gap of the Thai Labor Market	<i>Siriwan Saksiriruthai</i>	100
Corporative organizational management in modern innovative business	<i>Punrapha Praditpong</i>	
	<i>Supaporn Wimonchailerk</i>	103
Entrepreneurial Leadership and Effective Management in tactical development of SME (the case of Thai silk industry)	<i>Preecha Pongpeng</i>	107
National Human Resource Development Strategy in context of ACE formation	<i>Routsukol Sunalai</i>	111
Foreign Labor Force as a reason for National budget Loss (the case of Indonesia)	<i>Kanokwan Kaewprasert</i>	114
International Labor Migration as a Factor of Economic Growth	<i>Prapoj Na Bangchang</i>	117
Urbanization as a factor for ASEAN economic development (example of Indonesia)	<i>Ladaporn Pithuk</i>	120
Innovative Approaches to Cooperation within the Innovative Education Chain	<i>Chin Tangtarntana</i>	126
The Comparison of Saving Factors in the Employed Population	<i>Varangkana Chitraphan</i>	128
School performance and Financial Adequacy: Evidence from Thailand	<i>Runglaksamee Rodkam</i>	131
Economic regulation in terms of the multinational entrepreneurship development	<i>Wipanee Maen-in</i>	133
Innovations in Thailand banking Industry development: unlimited source or endless problems	<i>Charawee Butbumrung</i>	139
Mathematics in Economic Analysis: What is its Role?	<i>Pittaya Klongkratoke</i>	142
The Marketing Communication Strategy of Thai film: Case of GTH's Studio	<i>Prakaikavin Srijinda</i>	144

**Chapter 3.**

<b>Tourism and service markets' development: issues, problems and solutions</b>	147
Destination Branding As A Tool For Effective Tourism	
Macro-Marketing (The Case Of Bangkok, Thailand)	
	<i>Pisit Potjanajaruwit</i>
Implementation of Servuction Service Model: instruments, issues, prospects (the case of Zenith Hotel, Bangkok, Thailand)	148
	<i>Supattra Kanchanopast</i>
Cashless Payment: new technologies Application in Thai tourism industry	153
	<i>Ratsamee Ratana-u-bol</i>
Mega-event promotion and organization as tools of National Image-Building	156
	<i>Narong Anurak</i>
Travelers' Motivation: impact of information factors in Tourists Visiting Intentions	160
	<i>Nareenad Panbun</i>
Studying Motivation to develop tourists satisfaction (the case of Russian visitors of Pattaya, Thailand)	163
	<i>Phakit Treesukol</i>
Passengers' Pre-Flight Expectations and overall quality of airlines services: functional role and current influence	167
	<i>Suwimol Apapol</i>
Tourist Threats To Cultural Heritage: An Investigation Of Tourist Behavior Violating The Culture of Wat Pho	171
	<i>Poramatdha Chutimant</i>
Factors Influencing Consumers' Repurchase Intention of Low-Cost Airline: A Case Study of Thai AirAsia	176
	<i>Siri-Orn Champatong</i>
Managing Customer loyalty: A study of Budget Rent A Car in Bangkok, Thailand	182
	<i>Mananya Meenakorn</i>
International Business Trends Under Impact Of Innovative Modernization	189
	<i>Somchai Buaroong</i>
Economy of Thailand North-East (Isarn): local advantages and global prospects	193
	<i>Suvimon Wajeetongratana</i>
	<i>Huda Wongyim</i>
News Values of Thai Mass Media in Convergence Journalism Era, in Attitudes of the People in Bangkok	196
	<i>Wiroj Srihiran</i>
Challenges of Thailand Digital Economy Towards Community Tourism Development: Case Study of Baan Yafu, Maeyao District, Chiangrai Province	200
	<i>Niracharapa Tongdhamachan</i>
	205

## Actual Economy: Social Challenges and Financial Issues in XXI century

Using 3D Animation in Promoting Tourism in Baan Yafu, Thailand <i>Siridej Sirisomboon</i>	207
<b>Chapter 4.</b>	
<b>New sources for effective economic and social development</b>	210
State-of-the-Art and further developments in Business Model Research for Industry 4.0 <i>Richard Stechow, Magdalena Mißler-Behr</i>	211
An Investigation into the Reduction of Supply Chain Risks of Supplier and Producer due to Industry 4.0 <i>Katharina Hobusch, Magdalena Mißler-Behr</i>	217
Methodological Features Of Modeling GRP Production In The Northern And Arctic Regions <i>Tatiana Skufina, Sergey Baranov, Vera Samarina</i>	222
Estimation of projected changes in the geological environment that affect the economy: new formulation of the problem and results of the study <i>Tatiana Skufina, Sergey Baranov, Vera Samarina</i>	226
Corporate tax as a direct tool for supporting the public sector in the Slovak Republic <i>Jana Kušnířová</i>	229
City as an Object of Ecological and Economic Researches: the Example of Russian Cities <i>Shcherbakova Nadezhda Viktorovna, Khaikin Mark Mikhailovich</i>	232
Matrix Structures of Science and Technology Innovation Development and Implementation Trajectory <i>Mokeeva Tatiana Vasilievna</i>	235
Investments in human capital: Effectiveness of investment in higher education in Russia <i>Y.Y. Kuporov, EA Avduyevskaya</i>	236
Aspects of Globalization Impact on Economic and Financial Processes <i>Volkova Nadejda V., Guzikova Ludmila A., Olga S. Nadezhina</i>	240
A Model Of Economic Growth, Including Taxation And Public Sector <i>Chernogorskiy Sergey A., Shvetsov Konstantin Vladimirovich</i>	241
<b>Chapter 5.</b>	
<b>National eco-social system progress: challenges and promising</b>	243
Illicit Capital Flow: Evaluation And Forecasting <i>Guzikova Ludmila, Lukevich Igor, Smirnova Olga</i>	244
Optimization of the Innovation Process Management at a Manufacturing Enterprise <i>Daniel S. Demidenko, Ekaterina D. Malevskaia-Malevich, Yulia A. Dubolazova</i>	247
Investigation of the Interrelation between Diversification of the Enterprise's Operations and its Financial Stability <i>Sokolitsyn Alexander Sergeevich, Ivanov Maxim Vladimirovich, Sokolitsyna Natalya Alexandrovna</i>	256

Contradictions In Regional Innovative Activity And Ways To Overcome Them		
	<i>Degtereva Victoriia, Goncharova Natalia</i>	260
Electronic Tax Administration: Development Trends	<i>N.G. Victorova, E.N. Yevstegneev, D.U. Yablokov</i>	260
Assessment of the Housing Policy Efficiency in Russia	<i>L.A. Guzikova, A.V. Bataev, E.V. Plotnikova</i>	262
Problems of Trade Financing in the Russian Federation	<i>L.V. Nikolova, M.D. Velikova, P.S.Serov</i>	265
Environmental protection by environmental taxes	<i>Juraj Válek</i>	268
The VAT Revenue Losses and Increasing Efficiency of VAT Collection in the Slovak Republic	<i>Marcela Rabatinová</i>	272
Influence of Cultural Dimensions "Individualism" and "Power Distance" on Entrepreneurial Activity	<i>Kovaleva E.A., Bogacheva T.V., Kutlyeva G.M.</i>	276
<b>Chapter 6</b>		
<b>Actual economy: local solutions for global challenges</b>		
The Innovation Development in the Slovak Republic in the Context of the Europe 2020 Strategy and Initiative Innovation Union	<i>Gonda Vladimír, Adamovský Peter</i>	280
Assessing The Impact Of Fossil Fuel Production On Territorial Economic Development	<i>O. E. Kichigin</i>	283
The Microeconomic and Macroeconomic Contexts of Remittances	<i>Magdaléna Přivarová, Andrej Přivara</i>	286
Impact of fiscal measures on the costs and consequences of unemployment	<i>Marta Martincová</i>	288
Alternative Approaches to Fiscal and Monetary Policy in the Course of the Economic Cycle	<i>Ján Lisý</i>	291
The Sustainable Economic Development Of Kazakhstan Through Improving Ecological State Of The Country	<i>I. Onyusheva, S. Kalenova, R. Nurzhaubayeva</i>	293
Comparison Of The Monetary Policy Of The Visegrad Four Countries In Terms Of Its Impact On The Economic Cycle	<i>Veronika Piovarčiová</i>	296
Human capital as an important aspect of the green economy	<i>Anufriev Valery, Kaminov Aitkali</i>	299
Evaluating The State Of Eco-Economy Of Kazakhstan	<i>S. Kalenova, I. Onyusheva, G. Yerubayeva</i>	301
How Taxation Affects Financial Decisions of a Firm in an Open Economy	<i>S.A. Chernogorskiy, K.V. Shvetsov, L.L. Pokrovskaya</i>	304

**Actual Economy: Social Challenges and Financial Issues in XXI century**

<b>Chapter 7.</b>		
<b>Environmental issues of global economy development</b>		305
Assessment of the reproduction process of agricultural enterprises		
	<i>M. F. Tyapkina, E.A. Ilina</i>	306
Key Performance Indicators in the Public Procurement Management: National Aspect		
	<i>E.Zolochevskaya, E.Popova, E.Medyakova</i>	310
The Activation Of The Investment Process In The Agrarian Sector Of The Republic Of Crimea		
	<i>Mochalina Olga Sergeevna</i>	314
Adaptability as a Tool for Managing an Enterprise in a Turbulent External Environment		
	<i>Alexey Shmatko, Valery Yanovskiy, Lubov' Shamina</i>	314
Change Of Financial Behavior Paradigm Of The Stock Market Subjects		
	<i>Kostyntine Malyshenko, Vadim Malyshenko, Elena Ponomareva</i>	319
Assessment of conditions of stationary state of the cities in the region due to the system approach		
	<i>Pakhomova Anna Ivanovna, Buryakov Stepan Anatolyevich, Degtyaryova Tatiana Viktorovna</i>	322
Public-private partnership as a tool for sea-ports' investment attractiveness increasing		
	<i>Ostovskaya Anastasiya Andreevna</i>	326
Attractiveness of the Arctic zone and the northern territories of Russia for migrants		326
	<i>Druzhinina Irina, Kurushina Elena, Kurushina Victoria</i>	
Government expenditures on education in The XXI century: quantitative evaluation and Limits of rationality		
	<i>Kharchenko Ivan, Kharchenko Lana</i>	330
Effective management of coal industry as a condition of rational subsoil		
	<i>Aliya Medebayeva</i>	334
MNCs as a factor for governance modernizing in XX century		
	<i>Denis Ushakov</i>	335
Small and Medium Business Owners and Constructs of Entrepreneurs: A Case Study of Thai Business Owners in Southern California, USA		
	<i>Yingsak Vanpetch, Mahachai Sattayathamrongthian</i>	340

## Thailand's SMEs Competitiveness within ACE: prospects, problems and opportunities

Kunphattra Patarapongsathon Faculty of Management Sciences  
Suan Sunandha Rajabhat University,  
Bangkok, Thailand

**Abstract** Trade liberalization is believed to not only improve the welfare of the countries involved but also cause inequality among member countries. This imbalance occurs because not all countries have a comparative advantage over other countries, or if a country has a comparative advantage it does not match with the factor requirements in relation to partner countries. Meanwhile, there is another view which considers that trade liberalization is irreversible as it has become the only road to reach the future. So states or nations, enterprises, and individuals that are ready to face the free market will excel in global competition. Thailand entered a new type of trade liberalization in terms of the ASEAN Economic Community (AEC). Previous studies have emphasized the benefits of trade liberalization for SMEs in developing countries, but many developing countries have complained about the negative impacts on SMEs. This paper examines whether Thailand's SMEs are ready to benefit from the implementation of AEC. Research conducted in Central Thailand found that Thai SMEs are not fully ready for the implementation of AEC. Therefore, there is a need to initiate a systematic strategy to address internal and external disadvantages. This strategy needs to involve various government agencies and other stakeholders, that have competence in related aspects.

**Key-words** Trade Liberalization, AEC, SME, Awareness, Readiness, Competitiveness

### Introduction

Trade liberalization leads to a controversy. On the one hand, it is believed to improve the welfare for the countries involved. On the other hand, the development of globalization causes inequality among member countries. This imbalance occurs because not all countries have a comparative advantage compared to countries or a country may have a comparative advantage that does not match with the requirements in relation to partner countries. Another view considers that trade liberalization is irreversible, as it has become the only road to the future. So states or nations, enterprises, and individuals that are ready to face the free market will excel in global competition. Those who refuse to follow any changes caused by the free market will be harmed (Sumaryadi and Handoko, 2001).

The main objectives of trade liberalization are to reduce or eliminate trade barriers for goods, services, factors of production, and investments. In its development, trade liberalization takes the shape of an agreement in free trade between countries in a particular region. Indeed, the purpose of establishing a free market is to create easy access to markets. Nevertheless, besides creating opportunities, it also poses threats to a country. In many developing countries there is an increasing concern over the potential negative impact of trade liberalization on the competitiveness of domestic enterprises.

Thailand actually has implemented an open economy since 1967, but the implementation of pro-market policies is slow and partial. The country signed on to be a member of WTO in 1995, and in the last few years it has made free trade agreements with a country or a group of countries through the establishment of the Regional Comprehensive Economic Partnership (RCEP), such as with ASEAN, ASEAN and China (ACFTA), ASEAN and South Korea (AKFTA), ASEAN and India FTA (AIFTA), ASEAN Australia-New Zealand (AANZFTA), and ASEAN with Japan Comprehensive Economic Partnership (AJCEP) or a bilateral relationship like Thailand and Japan in the Japan Economic Partnership. One of the free trade agreements that will soon be implemented is AEC (ASEAN Economic Community). More sophisticated trade liberalization will be faced by Thailand firms with an agreement to implement AEC (the ASEAN Economic Community) in 2015. In addition to eliminating restrictions on the flow of goods and services, AEC requires all ASEAN countries to liberalize investments, skilled labor, and capital flows (Direktorat Jendral Kerja Sama ASEAN, 2011).

For Thailand, the AEC provides opportunities through an increasingly broad market, increased investments, and access to resources in other ASEAN countries, increased competitiveness due to the absence of tariffs and non-tariff barriers, more open service sectors, and an increased mobility for workers, enabling jobs to become more open. The flow of goods and services from abroad will increase consumer product choices. AEC is also expected to encourage bureaucratic reform due to a demand to create a conducive business environment. Thailand will also face tough competition with other ASEAN countries due to high inflation, high interest rates, unstable capital, low competitiveness of human resources, as well as issues of national sovereignty in Thailand.

One of the economic actors that will be affected by the enactment of the AEC are MSMEs (Micro, Small, and Medium Enterprises). MSMEs have an important role in Thailand's economy through job creations, poverty reduction, income distribution, and the development of entrepreneurships. Several previous studies have emphasized the benefits of trade liberalization for SMEs in developing countries, but many developing countries have complained about the negative impact of trade liberalization on SMEs. This paper examines whether Thailand SMEs are ready to benefit from the implementation of AEC.

### Literature review

Trade liberalization is a state in which countries agree to eliminate trade barriers in the form of tariff and non-tariff barriers. Trade liberalization is expected to facilitate the trade flows of goods, services, or factors of production that make goods, services, and factors of production cheaper to improve the well-being of society in countries that do trade interactions. However, not all countries are ready to face free trade in the multilateral system as arranged by the WTO. As a result, several countries have formed regional agreements or trade blocs with a view to advance regional economic growth. Among the trade agreements that have been formed are AFTA (ASEAN Free Trade Area), NAFTA (North American Free Trade Agreement), EU (Europe Union), Mercosur (the Southern Part of South America), CARICOM (Central America), and the ASEAN Economic Community (AEC), which will take effect in 2016.

Jovanovich (2006) argues that economic integration is a process in which a group of countries work to improve the level of prosperity. Krugman (2012) emphasizes that economic integration may have an impact on improving the welfare of people when a strong economic country that applies a high tariff then decides to release this tariff. According to Carbaugh (2012), economic integration has two effects, trade creation and trade diversion. Trade creation is increases trade among member countries due to the elimination of trade barriers, while trade diversion is shifting the source of the import country from non-member regional countries to member regional countries. This impact could occur if each country has different products. The problem is if countries in the region have relatively similar products certainly the expected impact above is not necessarily the case.

Meir (1995) stresses that a regional economic integration will result in several benefits for the country that performs the integration, such as: encourage the development of local industries, increase trade benefits through improved terms of trade, and encourage economic efficiency in an economic region.

Suarez (2000) underlines that the establishment of economic integration in a region devoted to the allocation of resources is more efficient, encourages competition, and improves the economies of scale in production and distribution among member countries.

Trade liberalization adopted by many developing countries has increased competitive pressure and has led local firms to experience fluctuations in the international market. It has had various effects on local firms, especially small and medium scale firms, thereby increasing the threat to compete in the global market. According to Long (2003), the reason small firms cannot compete in the global market is due to a lack of resources. Small firms can only survive in the global market if they possess the capacity for internationalization.

There are several ways trade liberalization positively affects individual local firms. (1) Increased foreign competition forces local firms to improve their competitiveness by working more effectively, efficiently, and innovatively. (2) Lower production costs from cheaper imported inputs can help local firms benefit from lower input costs, as this improves price competitiveness both in import and export markets. (3) A relative increase of export opportunities induces an increased efficiency in domestic firms and encourages firms to increase their exports. However, the negative effects of trade liberalization are due to the reduction of available local inputs on the expenses of local firms (Tambunan, 2007).

### **Methodology**

This paper analyzes whether SMEs in Central Thailand are ready to compete with their partners from other ASEAN countries when AEC is implemented. The study takes a sample of Small and Medium Enterprises in Central Java. The sample uses a purposive sampling of data collected from SMEs operating in various sectors. The sampling is carried out from March to April 2014. The data is collected through a survey in which interviews are conducted with business owners or managers based on semi-open questionnaires.

To describe the conditions of SMEs surveyed, it uses a SWOT analysis that explores the strengths and weaknesses of SMEs and identifies opportunities and threats faced by SMEs in Central Thailand in dealing with AEC.

### **Conclusions**

Just like the business overview at the national level, businesses in Central Thailand are also dominated by SMEs. The number of SMEs is much smaller than the micro ones, but SMEs have a very important role in economic development in this region. The majority of firms are considered as small enterprises. The SMEs are mostly found in manufacturing; trade, hotel and restaurant; as well as agriculture sectors. The trade, hotel, and restaurant sector includes types of businesses that focus on the domestic market.

The firms' responses to the implementation of AEC depend on the awareness of the companies related to the consequences of implementing this agreement. Although AEC will be implemented soon, a number of entrepreneurs are not aware of the impact of implementation. Even some of them can be considered as being ignorant. One of the reasons SMEs do not care about the implementation of AEC is because they are shortsighted, as their mindset is just preoccupied with the internal problems of their businesses, so they do not pay attention to what is going to happen in the future for their businesses. Most firms are oriented towards local markets, which is supported by the fact that the majority of firms sell their products locally. There is optimism concerning AEC, but only a small number of firms plans to sell their products to other ASEAN countries.

Previous studies show that many new small firms from developed and developing countries gradually enter the international market. Exporting is the most popular mode of entry into a foreign market. There are many reasons for small firms from developing countries to enter a foreign market such as to achieve higher profit margins, diversify business risks, expand production volume, and achieve different positions in the local market (Kasem, 2005). In addition the local market may be too small in size, access to raw materials may be difficult, etc. However, for small firms, the decision to internationalize is a difficult choice, as it brings along risks while small firms are already constrained by limited resources. Experience also shows that many small firms that are successful in their

domestic market may fail when they go international. Studies show that many small firms from developing countries enter the export business unintentionally after receiving an order from a foreign buyer (Sebhatu, 2005). Therefore, not all small firms need to go to a foreign market but they have to be competitive in the domestic market.

As mentioned above, based on the three criteria of competitiveness, the competitiveness of SMEs in Central Java is considered as moderate. Businessmen and women perceive the competitiveness as possibly weakening due to the enforcement of AEC. While competitiveness is a dynamic concept, firms need to do something to continuously improve their competitiveness. According to Tambunan (2007) trade liberalization will positively affect individual local firms when the increased foreign competition forces local firms to improve their competitiveness by working more effectively, efficiently, and innovatively. Local firms are able to lower production costs buying cheaper imported inputs. This improves price competitiveness both in import and export markets. It increases efficiency in domestic firms and encourages firms to increase their exports.

The enforcement of AEC provides opportunities for SMEs to sell more products, encourage entrepreneurs to sell higher quality products, and sell products to other ASEAN countries. There are still people who believe that this agreement does not bring business opportunities. Another challenge of enacting AEC is that it threatens businessmen and women through the entry of cheaper products.

To improve the readiness of SMEs in Central Java, a systematic strategy needs to be designed to address various aspects that are not competitive now and in the AEC era. This strategy needs to involve various government agencies and other stakeholders (for example chambers of commerce), that are competent in related aspects.

From the explanation above we conclude, although many SMEs already know about the enforcement of AEC, there are still some business owners who do not know and even tend to be ignorant about the implementation of this plan. This is due to their shortsighted mindset, as they are still preoccupied with the internal problems of their businesses and because they do not pay attention to what is going to happen in the future with their businesses. Most of them are quite optimistic that the implementation of AEC will bring business opportunities in the domestic market. They believe free trade will allow them to sell more and encourage them to produce higher quality products. However, only a few businessmen and women will try to benefit from the opportunity to sell their products to other ASEAN countries.

Most SMEs are not ready for the implementation of AEC, as shown by the level of competitiveness that is considered as medium. Although Thailand SMEs are ready to increase the production capacity, able to create unique products, able to satisfy the current customers, and do not have a problem with access to raw materials, the firms do not have periodic innovations due to the low quality of human resources and the use of a traditional method in managing their enterprises. The competitiveness is dynamic, which means that highly competitive firms may decrease their competitiveness when they do not do anything to improve the weaknesses. The threats of competition from other ASEAN countries products are related to quantity, quality, and price.

## **References**

- Anonymous (2008). Undang-undang Republik Thailand No. 20, 2008 tentang Usaha mikro, kecil dan menengah.
- Carbaugh, Robert J (2012). International Economics. Thomson South Western.
- Jovanovic, F. (2006) Integration, disintegration and trade in Europe: Evaluation of trade Relation during the 1990s, Working Paper No. 20.
- Krugman, P (1991) Geography and Trade. Cambridge (MA), MIT Press.
- Meier, G.M. (1995) Leading Issues In Economic Development. New York: Oxford University Press.
- Sijabat, Saudin (2011). Dampak Penerapan Undang-Undang nomor 20 Tahun 2008 tentang UMKM terhadap Pengembangan Kewirausahaan bagi UMKM. INFOKOP VOLUME 19 – JULY 2011.
- Sri Susilo, Y (2010) Strategi Meningkatkan Daya Saing UMKM Dalam Menghadapi Implementasi CAFTA dan MEA. Buletin Ekonomi Vol. 8, No. 2, August 2010 pp. 70-170.
- Suarez, M.D.L.C. (2001) Trade Creation and Trade Diversion For Mercosur. Disertation. Boston University
- Sumaryadi, N.S. and Budiono, S.H. (2001) Global Trade Liberalization: its Impact on the Export Competitiveness of China and Asean 5 in the United States Market. Gadjah Mada International Journal of Business.