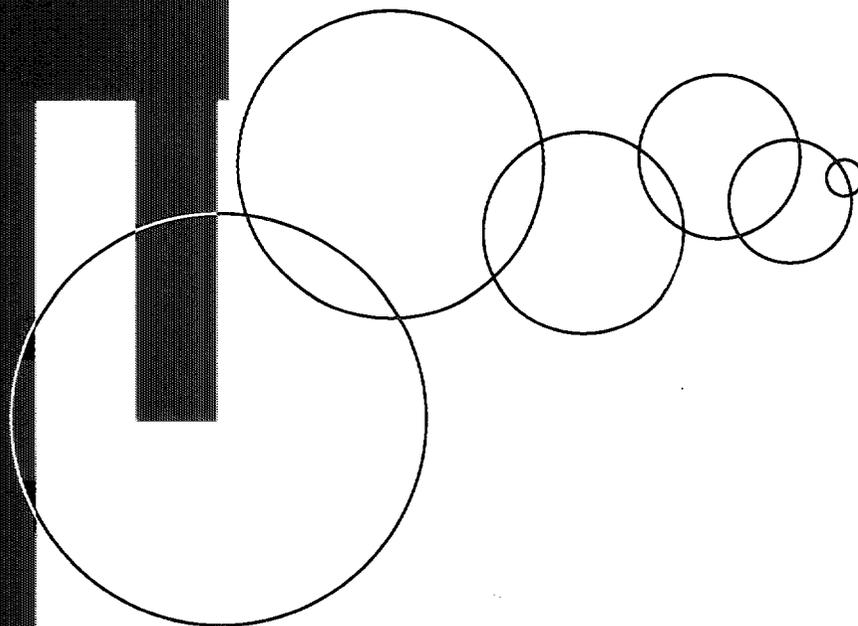




ASEDP NO. 45

FINANCIAL CRISIS IN THAILAND : ADJUSTMENT OF LOCAL COMPANIES

EDITED
BY
SAMART CHIASAKUL
KENJI KOIKE



INSTITUTE OF DEVELOPING ECONOMIES
TOKYO 1998

**FINANCIAL CRISIS IN THAILAND :
ADJUSTMENT OF LOCAL COMPANIES**

EDITED

BY

SAMART CHIASAKUL

KENJI KOIKE

INSTITUTE OF DEVELOPING ECONOMIES

TOKYO 1998

Table of Contents

	Page
Preface	III
Authors	VI

CHAPTER 1 THAILAND FINANCIAL CRISIS : CAUSES AND EFFECTS ON STRUCTURAL CHANGES

----- Busaba Kunasirin

1.1 High Short-Term & More Volatile Interest Rates	22
1.2 Higher Non-performing Loans and Liquidity Problems	23
1.3 The Decline in Foreign Investment	29
1.4 More Bankruptcy in Every Economic Sector	34
1.5 The Agricultural Sector Will Come Back to Play an Important Role	37
Appendix A	43
Note	46
Reference	47

CHAPTER 2 FINANCIAL CRISIS IN THAILAND AND ADJUSTMENT OF LOCAL COMPANIES IN MANUFACTURING SECTOR

---- Samart Chiasakul

2.1 Sources of Financial Crisis in Manufacturing Sector	49
2.2 Financial Crisis and Its Impacts on Local Companies	58
2.3 Impacts and Adaptation of Local Companies Investing Abroad	69

2.4 Adjustment of Local Companies Under Financial Difficulties	72
2.5 Restructuring of Thai Manufacturing Sector	74
2.6 Conclusion	75
Reference	77

CHAPTER 3 THAILAND ECONOMIC CRISIS 1997 AND THAI CONSTRUCTION COMPANY ADJUSTMENT : A CASE STUDY OF ITALIAN THAI DEVELOPMENT (PUBLIC) CO. LTD. ----- Ukrist Pathmanand

3.1 What's Thailand economic crisis 1997?	79
3.2 Italian Thai Development (public) Co., Ltd. : economic crisis in Thailand and it's adjustment	90
3.3 Italian Thai Development (public) company's adjustment	94
3.4 Italian Thai Development in Burma : opportunities and obstructions	98
Reference	106

CHAPTER 4 THE IMPACTS OF FINANCIAL CRISIS ON THAI OVERSEAS INVESTMENT ----- Kenji Koike

4.1 Thai Overseas Investment in the Emerging Markets	110
4.2 Progress and Prospects of Thai Big Business' Overseas Investment	122
4.3 Tentative Remark	133
Appendix: ----- Kenji Koike; Makio Nishi	
(1) CP Group	136
(2) Siam Cement Group	149
(3) Telecom Industry	175

Authors

Busaba Kunasirin

College of Management
Mahidol University

Ukrist Pathmanand

Institute of Asian Studies
Chulalongkorn University

Samart Chiasakul

Faculty of Economics
Chulalongkorn University

Kenji Koike

IDE (Bangkok Center)

IDE

ISBN 4 - 258 - 55045 - 0 - C 3033

Printed in Thailand by:
Benjaphon Co., Ltd.
2229/26 Ramkhamhaeng Road Huamark
Bangkapi Bangkok 10240
Tel. 7189225-6, 3198124-5 Fax. 3180557