



Lancang-Mekong Cooperation Special Fund Project Proposal

Project Title: MLC-MSME Recovery Network Post Covid-19.
Implementing Agency: Faculty of Economics, Chiang Mai University.
Duration/Period: 11 January 2024 – 10 January 2027
Progress Report: 11 January 2024 – 10 July 2024

PROJECT DETAILS

Project Title: MLC-MSME Recovery Network Post Covid-19.	
Project Approve Year: 2024	
LMC Member Country: Thailand, China, Cambodia, Laos, Myanmar and Vietnam	
Proponent (Ministerial Level): Ministry of Higher Education, Science, Research and Innovation.	
Implementing Agency: Associate Professor Dr. Nisit Panthamit. Faculty of Economics and Center for ASEAN Studies (CAS) Chiang Mai University Tel: +66-53-942-208, +66-5394-3749, +66-111-113-305 fax: +66-53-943-749, +66-53-943-749 Email: nisit.p@cmu.ac.th , nisitp@gmail.com Address: Chiang Mai University 239 Huawkaew road, Muang District, Chiang Mai, Thailand, 50200	
Project Duration: 3 years (11 January 2024 – 10 January 2027)	
Proposed Commencement Date: Dec 8, 2022 - Dec 7, 2025	
Project Budget: 334,984 USD.	
Funded by LMCSF: 334,984 USD.	Self-financing: -
Project Description (a) Current problem The growth momentum in developing Asia has gradually decelerated since 2018 due to increasing global trade tensions, economic uncertainty, and the coronavirus disease (COVID-19). The Covid-19 pandemic has disrupted people's livelihoods and tested healthcare systems around the Mekong Lancang Countries (MLC) as same as the rest of the world. the other economic disruptions have also distorted several opportunities for the small emerging market in the Mekong Lancang region. In particular, at the national level, micro, small, and medium-sized enterprises (MSMEs) which play a more central role in recovering from economic contraction and promoting sustainable economic growth in Mekong Lancang region. MSMEs comprise the major share of business entities worldwide. In developing countries, MSMEs contribute to most economic activities. They are crucial forces for employment creation, economic growth, poverty alleviation as well as promoting inclusive and sustainable development. In sum, this creates a positive upward push for a higher quality of life with greater equity. Micro, Small and Medium Enterprises (MSMEs) are the backbone and important "engines of growth" in ASEAN. They account for some 96 per cent of all enterprises particularly in Cambodia, Lao PDR, Myanmar and Viet Nam (CLMV) countries. Moreover, MSMEs constitute the vast majority of enterprises and contribute significantly to employment, gross domestic product (GDP) in all CLMV countries. ^{2\} Despite its importance, MSMEs in CLMV countries face several challenges including lack of adequate financing to expand their business. Traditional finance from banks has become the most common method of attaining finance. However, MSMEs often find themselves no longer qualified for small loans from microfinance institutions but not big enough for loans from corporate banking models. Thus, MSMEs are the backbone of the developing ASEAN economy. They stimulate domestic demand, create jobs, innovate and compete nationally and regionally. Access to finance and expanded markets remain at the core of MSME growth. Asian economic transformation and pandemic recovery offer the chance to accelerate business opportunities for MSMEs to learn how to digitize and embrace digital	

financial services and e-commerce without abandoning the traditional MSME strengths in all business sectors. A recovery in demand, trade, and investment is needed, and MSMEs should be at their heart. MSME development remains key to promoting inclusive growth in developing Asia. The design of MSME policies has become more challenging due to the complexity of the MSME business climate and the rapidly changing external environment. (ADB, 2020). Micro, Small and Medium Enterprises (MSMEs) are integral to the economic development and growth of ASEAN Member States. They constitute the largest share of establishments and contribute significantly to the labour force of ASEAN Member States (AMS). MSME account for between 88.8% and 99.9% total establishments and contribute between 51.7% and 97.2% of total employment. The contribution of these enterprises to GDP ranges between 30% and 53% and the contribution of SMEs to exports is between 10% and 29.9% (<https://asean.org/our-communities/economic-community/resilient-and-inclusive-asean/development-of-micro-small-and-medium-enterprises-in-asean-msme/>)

MSMEs are thus the backbone of ASEAN and are fundamental towards achieving long-run and sustainable economic growth and in narrowing the development gap. In particular, Mekong Lancang countries (Cambodia, Laos, Myanmar, Vietnam, CLMVT) that relies on external factors such as the tourism and service sector, trade sector, and related value chains.

The MSME sector can play a vital role in responding to the economic impact of the pandemic and in driving a sustainable and resilient recovery. As a response to the COVID-19 pandemic, this project will promote resilience and recovery for MSMEs in CLMV. This technical assistance (TA) will leverage Thailand and also China, two countries prior experiences supporting the owner of MSMEs in Mekong Lancang 4 countries, namely CLMV, which will be well connected in a strong existing network of business associations, financial institutions, workers' organizations and government institutions, to forge a strong, collaborative and needs-based response. The project output and outcome can be labelled as the identity of MLC due to it is one of the necessary things in the lives of millions dispersed around the region. Additionally, MSMEs are numerous key players who are presently functioning more actively to lead the fastest market growth and register the high value of revenue across the MLC.

Due to the MSMEs mostly are inexperienced investors who minimally have small capital or retail finance. Despite limited capital commitments, MSMEs investors often count on significant returns on their trades, to supplement their income. The biggest question here is how the project can initially heal and recover the painful periods of contestable time of Covid-19 of MSMEs in MLC as a pack to compete and help uplift the local economic sector. Moreover, before Covid-19, MSMEs in this region had to face many challenges such as a lack of good management and proper accounting practices, more intense competition from modern trade and online channels, increasing costs, and changing consumer behavior. These factors make it harder for MSME to recover back or even survive in the long term after the Covid-19 crisis. The different types of new trade and investment of China's trade and business in CLMVT is expected to boost the MSME's potentials. The work team thus aim to create training and workshop that connect China business and MSMEs in CLMV Lancang-Mekong region by initiating activities as below;

- 1) Workshop Training for MSME that can connect China and Thailand business in CLMV
- 2) Coaching from value-chain level, suppliers or big wholesalers of MSME in MLC, particularly from Thailand (BJC, Big C)¹. The coaching focus on building know-how, expertise, beautification project, or marketing materials for MSME sector in the region of 5 MLC countries.
- 3) Providing technology handicrafts for MSME in CLMV as to boost productivity via the connection to businesses from China, Singapore, and Indonesia.
- 4) Bringing specialists in the MSME from China (Yunnan, Guanxi, Beijing) to implement the MSME's best practices (using digital technology, IoT devices, POS system) to fulfill the project of our TA.
- 5) Since MSME is less likely to be able to access finance, pay fewer or no taxes, and typically unable to provide training for their workers, or comply with labor laws, other regulations, and standard requirements. These distortions largely explain why MNP is not able to expand their business to regional and international markets.

Therefore, to recover the post-COVID economy by turning back to strengthening within the region following the commitment to MLC integration. Building a solid foundation by changing the COVID-19 crisis as an opportunity to build a foundation economy at the local and community level, along with the distribution of prosperity to the region in the new economic corridors under Lancang- Mekong business cooperation.

¹https://www.bjc.co.th/news_events/news_detail/1024?language=th

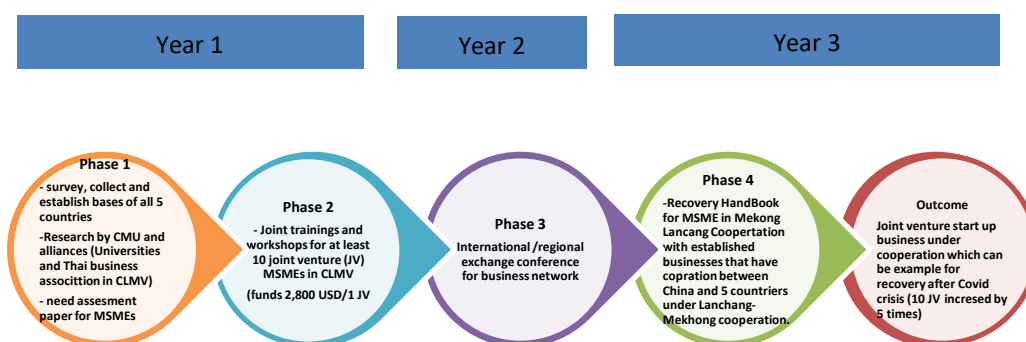


Figure 1: MSME in CLMV Pathway

The work can be divided into 4 phases:

1. Phase 1 **survey, collect and establish bases** of all 5 countries and make an appropriate MSME manual through short-courses of at least 2 courses in all 5 countries consisting of entrepreneurs.
2. Phase 2 **Joint training of members** of all 5 countries to exchange knowledge in real areas.
3. Phase 3, **International /regional exchange conference** of the economy, a platform is created to create upskill, reskill by entering the platform for CLMV's MSME, as well as the emergence of business matching in CLMV and Thailand, China upon the network and platform built by our project.
4. Phase 4 **Recovery Handbook for MSME in Mekong Lancang Cooperation** with established businesses node that have cooperation between China and 5 countries under Lancang-Mekong cooperation using CMU as the key incubator with university networks in CLMV.
5. Joint venture Startup businesses that can be an example of business recovery after the Covid-19 crisis.

Beneficiaries

1. The research that responds to the needs of basic economic recovery in MSME in CLMV by collaborating with 5 universities in 4 countries
2. There is a training course in MSME in 4 countries to exchange and jointly CLMV's MSME community by being trained through TA partnership in CLMV.
3. Know how to plan marketing and communication, and apply it to businesses when expanding in the MSME within CMLV.
4. To enable the participants to understand the MSME to learn about program systems, information systems, and personnel used in computer systems. To be useful in preparing to use computers in various work systems in branch management. Understand how to centrally manage the MSME cooperation by creating a web platform of 1 platform
5. To help enhance the knowledge and experience of working in MSME management by training both in the classroom (In-Class Training) and Workshop (Workshop and Brainstorming) through courses that will appear in 4 countries and 4 universities continuously in the 2nd year and continue to coordinate in the long term. It can be developed into one MLC joint program with 5 universities.
6. To enable participants to create guidelines for retail business management and develop knowledge in all aspects necessary to work or there is a model that will be applied to benefit the responsible work system to be more efficient.

Project Objective:

1. To study the problems and obstacles of MSMEs both before and after the epidemic of COVID-19 including production, marketing, finance, employment and regulations as well as building public-private

partnerships to strengthen MSMEs in the four countries of the LMC region, namely Thailand, Laos, Cambodia and Vietnam.

2. To explore the possibility of strengthening and upgrading MSMEs by building partnerships with the public and private sectors by applying the concept of e-commerce based on the Chinese model, including creating an economy platform and an effective way to promote strengths and upgrade the MSMEs for each country in the LMC region.

3. Propose policies to drive the strengthening of MSMEs that are the integration between the public and private sectors, including linking the economy platform to promote strengthening and enhancing MSMEs of countries in the LMC region for sustainable development.

Expected outcome and Project sustainability

1. Analysis of problems and obstacles of MSME both before and after the epidemic of COVID-19 in terms of production, marketing, finance, employment and regulations in the four countries of the LMC region namely Thailand, Laos, Cambodia and Vietnam.

2. Creating an economy platform and an effective way to promote Strength and upgrade the MSME of each country in the LMC region. From feasibility analysis of e-commerce concept based on China's model to strengthen and upgrade MSME of countries in the LMC region. Then Policy proposals for economy platform development for linkage economy platform in the LMC Region.

3. Policy proposals for building cooperation with the public, private sectors and academia to strengthen MSME development, including expanding cooperation in the MSME development network of countries in the LMC region to create sustainable development.

(a) Indicative work plan

Outputs	Indicators	Activities	Time Frame					
			Year 1		Year 2		Year 3	
			1st 6-months	2nd 6-months	1st 6-month	2nd 6-months	1st 6-month	2nd 6-months
Output 1	Clarify and revise the research questions, objectives, scope	1. Study, review the literature and collect relevant documents						
		2. Design data collection tools for each country in the LMC.						
		3. Building-up cooperation between academia in 5 countries to explore problems and obstacles of MSME						
Output 2	Exploring the problems and obstacles of SMEs both before and after the COVID-19 pandemic	4. Field visit to collect information in Vietnam						
		5. Field visit to collect information in Cambodia						
		6. Field visit to collect information in Myanmar						
		7. Field visit to collect information in Laos.						
		8. Year# 1 report submit(30%)						
Output 3	-International /regional exchange conference of the economy(applying MSME Chinese model to CLMV)	9.A study on the approach to strengthening MSMEs in China						
		10. Training all 4 countries						
		11. Establishment of Joint venture start up business						

Lancang-Mekong Cooperation Special Fund

	-Joint venture start up business under cooperation which can be example for recovery after Covid-19 crisis (phase I)	12. Complete Year 2-interim report progress (50%)						
Output 4	creating a platform economy to promote Strength and elevate MSME	13. Platform economy of CLMV						
		14. Pitching the joint venture (JV) for CLMV						
		15. Platform Economy Trial of MSME- to solve problems in different Countries of the LMC Region						
		16. 70% report progress						
Output 5	- Monitoring, evaluation of the use of platform economy on promotion efficiency of JV MSME in CLMV - Extending the platform economy to connect MSMEs in the LMC region	17. Best Practice for MSME - CLMV platform						
		18. Collaboration with government and private sectors and business & trade organizations to further leverage the country's platform economy in each country (present report to CLMV conference)						
Output 6	- Coordinating with government and private sectors and trade organizations to drive promotion policies. - Strengthening and upgrading MSMEs, as well as policy recommendations on SME trade linkages in the LMC region.	19. A meeting to assess the effectiveness of the platform economy utilization as well as ways to link the platform economy for sustainable SME development for CLMV from TA to the MSME stakeholders in CLMV						
Output 7	Final Report	20. A conference to disseminate approaches to strengthening SMEs after the COVID-19 epidemic from the platform economy and approaches to building a network of linkage development in the LMC region. (90%)						
		21. Submitted final report (100%)						

(b) Potential Risks

The scholar team in each country in LMC region will responsible to follow the process of project from the situation on the country which may be vary from unstable factors such as COVID-19, political situation, etc.

Annex- Budget Expended

Financial Analysis for Progress Report							
Project Title: MLC-MSME Recovery Network Post Covid-19							
Implementing Agency: Faculty of Economics, Chiang Mai University							
Duration/Period: - Jan 11, 2024 - Jun 30, 2024							
Expenditure	Description	Unit Cost (USD)	Quantity	Unit 1	Quantity 1	Unit 2	Total Cost (USD)
I. PROGRAMME/ACTIVITY COST							
A. Airfare							
A.1	International Airfare - Participants			Person		Round-trip	-
A.2	Domestic Airfare - Participants			Person		Round-trip	-
	Total Expenditure for Airfare						-
B. Meeting Package/Workshop/Seminar							
B.1	Reception			Person		Time	-
	<i>souvenir</i>	86.30	1	Time	1	Time	86.30
	<i>souvenir</i>	144.37	1	Time	1	Time	144.37
B.2	Lunch/Dinner/M meal			Person		Time	-
B.3	Accommodation-Participants			Person		Time	-
B.4	Transport			Person		Time	-
	Total Expenditure for Meeting/Workshop/Seminar						230.67
C. Consultant/Expert							
C.1	International Consultant/Expert	364.90	1	Person	6	Time	2,189.39
C.2	Regional Consultant/Expert			Person		Day	-
	Total Expenditure for Consultant / Expert						2,189.39
D. Interpretation							
D.1	Simultaneous Interpretation			Person		Day	-
D.2	Interpretation			Person		Day	-
	Total Expenditure for Interpretation						-
E. Other							
E.1	Collecting questionnaires			XXX		XXX	-
E.2	Creating an online platform			XXX		XXX	-
E.3	Prepare progress reports and final reports			XXX		XXX	-
E.4	International SIM Card	11.56	1	Time	1	Time	11.56
	Total Expenditure for other						11.56
SUB TOTAL OF PROGRAMME COST (I)							2,431.61
II. OPERATIONAL COST							
F. Administrative							
F.1	Meeting Room/Equipment Rental			Lumpsum			-
F.2	Office Supplies	1,505.32					1,505.32
F.3	Photocopy	144.95					144.95
	Total Expenditure for Administrative						1,650.27
G. Personnel							
G.1	Travel Expenses for Staff						
	<i>Travel Expenses to Cambodia April 22-24, 2024</i>	2,822.94	1	Group			2,822.94
	<i>Travel Expenses to Cambodia April 22-24, 2024</i>	1,827.28	1	Group			1,827.28
	<i>Travel Expenses to Laos 6-8 June 6-8, 2024</i>	1,220.77	1	Group			1,234.09
	<i>Travel Expenses to Laos 6-8 June 6-8, 2024</i>	953.67	1	Group			973.65
G.2	Project Leader	599.48	1	Person	6	Time	3,596.86
G.3	Researcher	364.90	4	Person	6	Time	8,757.56
G.4	Research Assistant (Master's Degree)	448.88	1	Person	6	Time	2,693.30
G.5	Research Assistant (Bachelor's Degree)	422.82	1	Person	6	Time	2,536.91
G.6	Contact and coordinate abroad	1,448.01	1	Person	1	Time	1,448.01
G.7	Contact and coordinate projects in the country	289.60	1	Person	6	Time	1,737.61
	Total Expenditure for Personnel						27,628.21
SUB TOTAL OF OPERATIONAL COST (II)							29,278.48
SUB TOTAL(I+II)							31,710.09
Contingency 10% (III)							3,045.10
TOTAL (I + II+III)							62,163.19

PROJECT PROGRESS

1. Progress in Implementation:

The project implementation plan for year 1 is divided into 4 phases as follows:

1. Study, review the literature and collect relevant documents
2. Design data collection tools for each country in the LMC.
3. Building-up cooperation between academia in 5 countries to explore problems and obstacles of MSME

The progress of the first quarter of the project will involve a review of relevant literature and research, as well as meetings of the relevant working groups. Including planning a meeting to understand and plan this research work with countries in the Mekong River Basin consisting of Cambodia, Laos, Myanmar and Vietnam.

The first country that the research team plans to travel to for meetings and to understand how to work together is Cambodia. The time period for traveling to Phnom Penh has been set. Cambodia That is between 22 April 2024 – 24 April 2024.

The target groups that the research team will attend this meeting include: Thai Ambassador in Phnom Penh, Advisor to the Ambassador (Commercial Department), President of the Thai Business Association in Cambodia, Entrepreneur Group in Phnom Penh Both entrepreneurs are Cambodian. and Thai entrepreneurs in Cambodia, etc.

The objectives of this meeting in Cambodia are:

1. It is a joint meeting to clarify. Assign an operating framework and plan joint research operations
2. Conduct a data survey Collect relevant information in Cambodia Activities include interviews and brainstorming sessions. In relevant sectors, both the public and private sectors
3. To create a document for evaluating MSMEs.
4. It brings together a group of MSME entrepreneurs in Cambodia to conduct joint research.

The expected results from this meeting with Cambodia are the basic problems and obstacles of MSMEs in Cambodia. The results will be collected and analyzed together with other countries, namely Laos, Myanmar and Vietnam.

Summary of data collection trip

The study team has collected data and sought cooperation between state agencies, private agencies, and MSMEs in several nations, according to the indicated work plan, which the team has now undertaken in two countries, Cambodia and Laos, resulting in the following conclusions:

1. Cambodia

Cambodia has a policy to support MSME. The GDP per capita of Cambodia is approximately 1,900 USD per person per year. The minimum wage is approximately 200 USD. Cambodia has a relatively large workforce. Its population is approximately 17 million. Those under 15 years of age account for approximately 32 percent of the total population. This will be the next labor force for Cambodia to drive the economy. In 2024, it is estimated that Cambodia's GDP can grow to 6-7 percent. However, GDP growth does not mean prosperity for the entire country. Because the gap between the poor and the rich is still very large. But the Cambodian government is also making efforts to reduce inequality and create more middle-class people. As for the FTA, Cambodia has tax relief support and can send goods to the UK with tax relief from foreign support. In addition, there is developing trade with China and trying to send products to China because China is considered a large market, especially agricultural products that are in demand from China. There are also FTAs with South Korea and the United Arab Emirates. There will be Enforcing a 100 percent tax deduction within this year. For cooperation in the region, there is participation in the ASEP group to increase visibility of product delivery among ASEP members. Labor and goods to drive the economy will come from both the agricultural, industrial and service sectors. The service sector will be the leader in driving the economy. and followed by the industrial and agricultural sectors, respectively, where the service sector contributes from 38 to 40 percent to the development of the Cambodian economy, and the industrial sector as for textiles, they are the main driver of the economy in the industrial sector. In the agricultural sector, rice production is the number one export of the country. There will be cashew nuts, cassava, rubber and animal feed corn, which are of very good quality and are in demand in the market. which will be planted in large numbers along the Cambodia-Thailand border such as Battambang city, for example, in order to send products to be processed in Thailand, which currently there are still attempts to get the country to receive more agricultural products along the border because Cambodia's agricultural product processing is not yet on par with Thailand. As for the Cambodia-Vietnam border, there are also a lot of agricultural products. There is also contact farming with the agricultural product processing industry in Vietnam. Cambodia's problem is that it does not have a good agricultural processing industry. Therefore, it is a good opportunity to get entrepreneurs to invest or buy out loans, which will also help develop MSME. For example, recently mangoes from Cambodia were imported into the country for processing. If they can be processed in Cambodia themselves, it will create additional value.

Foreign investment in Cambodia along the border includes Siem Reap, Battambang, and smaller towns along the border. In these urban areas, many agricultural products are grown but not many products are sent for processing in Thailand because Cambodia still lacks agricultural product processing due to the labor lacking ability, experimentation, and knowledge. Product processing Overall, Cambodia only produces agricultural products. Processing, marketing, and packaging still lack sufficient potential. Therefore, we have coordinated with commercial ambassadors many times to visit agricultural product processing work in Thailand. Especially regarding packaging, if you try to observe in general department stores in Cambodia, if it is a Cambodian product, the packaging will not be pretty, making it difficult to sell. Unlike Thai products that have better packaging, they choose Thai products more. Because Thai products have more beautiful packaging Better standard Therefore, Thai products win the hearts of Cambodians more. If you look at most stores, you will find that there are more than **50-60**

percent Thai products. Therefore, in order to develop MSME in Cambodia to grow, processing should be developed. Making beautiful packaging For example, Cambodian rice is sent to Vietnam and then processed. The packaging is then transformed into Vietnamese rice for export. In the matter of MSME, after the government in Cambodia changed to Mr. Hun Manet becoming the government, he issued the Pentagon Strategy as a strategy for developing the MSME business. Mr. Hun Manet has analyzed that the competitive ability. MSME in Cambodia is still low. In addition, there is a policy Therefore, a strategy has been put in place to amend laws to support MSME and Start UP, including skills training, training, and promotion because despite how much Cambodia tries to support it, Cambodian people still lack in terms of skills, if compared with Thailand. Cambodia also sees Thailand as a way to develop the skills of Cambodian people and is very pleased if there is training in Thailand because developing human resources and income to enter the middle class will increase purchasing power.

At present, there are some investments from China purchasing goods from Cambodia, but these are still only basic agricultural products, not final products for consumption. This has created a need to develop more Korean products to be sold as final products to reach the world market.

MSME in 2023, Cambodia has registered an additional 1,400, and currently there are 44,000 MSMEs in Cambodia, with the food and beverage sector number one at 28,000, followed by the clothing and textile industry is at 3,500, then the wood industry is 300, the paper industry is 200, and the chemical, rubber, and plastic industries are at 1,500. This makes the food and beverage industry a lot because the produce in Cambodia that is abundant and in demand is produce. Agricultural And there are many imports of consumer products from abroad. Especially products from Thailand are very popular in Cambodia. This makes Cambodian products unable to compete in production and packaging.

If you look at it from another angle, it is an opportunity for Thai products to enter the market in Cambodia. Because Thai products have a lot of potential and come with marketing channels like Big c Makro 7-Eleven, they can do more marketing. As for the sales channel in Modern Tread, there are Cambodian products that are trying to be sold in this channel as well, but are still unable to meet the standards.

Access to capital for MSMEs in Cambodia will have SME BANK, a bank that provides loans at lower interest rates than general interest rates. General banks in Cambodia have very high deposit interest rates of 5-6 percent, meaning loan interest rates are also high. Therefore, conventional banks are also a problem for MSMEs being unable to access capital. Another source of funds is microfinance, which charges high interest rates but is easier to borrow than regular banks. Therefore, when the government became aware of the problem of access to capital for MSMEs, the SME BANK was established by the government.

In summary, overall, the obstacles facing MSMEs in Cambodia are funding sources, long-term investments that lack human resources, skilled labor, technicians, and engineers. Even though Cambodia has a low minimum wage, there are high hidden taxes from government agencies that come in. Gradually collect taxes that are not in the system. In addition to existing taxes Both businesses of Cambodians and foreigners Until the research on EASE OF DOING BUSINESS reached 3 digits, compared to 2 digits in Thailand, according to research in foreign works. But there are some types of businessmen who like to take high risks in investing in Cambodia in the hope of high profits according to the Hight Risk Hight return rules.

The motivation of foreign investors comes from the flow of US dollars because when investing in Cambodia, the main currency, the US dollar, is the main currency for spending, which is a strong attraction for investment. Prices for goods in Cambodia are very high, almost twice as high as in Thailand, where some items are even higher. Industries that use a lot of labor include the textile and plastic industries. Therefore, if Cambodian MSMEs are to develop, they must be a part of sending their own products into production or being raw materials for these productions. In addition, Cambodia has made FTAs with many countries and is a member of the ASEP group, causing many countries to be interested in investing in Cambodia to export from

these special rights, but these exports are still limited in terms of production. The standards are not yet sufficient for export and will be sufficient for production and consumption within the country only.

Products that should be supported in the MSME sector are products in the OVOP project because they have developed to a certain level but in the end still cannot find a way forward. Therefore, it is seen that if they receive support, they can all be role models for MSMEs, such as products like dried bananas because each country in the CLMV and Thailand itself has these products. If all countries were included in packaging, it would be interesting because for MSME business must look at simple business first.

When promoting products, there is an opinion that a platform should be created, but one must first understand that a platform is very difficult to do because each place already has its own platform. Therefore, if a platform is to be created, it should create links to large platforms, for example, the platform of the Thai Ministry of Commerce is the Thai Kang platform (THAI K.com) that allows Thai people to consign products and sell products and links to large platforms. Most in Cambodia now have the Facebook platform, which is the platform that Cambodians most commonly use to do online business.

Pictures of data collection in Cambodia



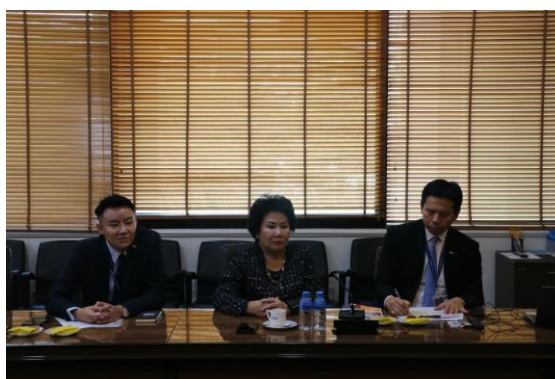
H.E. Ambassador Cherdkiat Atthakor



**Mr. Nirawat Rangseekanjana
Minister Counsellor (Commercial)**



Mrs. Jeeranan Wong Mongkol
Minister Counsellor (Commercial) of Thailand





Meeting in Phnom Penh with the Thai Embassy to discuss economic conditions and the Cambodian government's support for MSME enterprises.





Mrs. Wipada Duangrat, Deputy Chief Executive Officer of Big C Supercenter Public Company Limited, and the Big C staff in Phnom Penh greeted the research team.

2. Laos PDR.

2.1 Ministry of Finance

Laos has a program that supports MSMEs and SMEs, including a promotion fund established in 2010. It has been a source of funding for MSME and SME organizations with an annual turnover of \$25 million, is constantly holding money, and has a total capital of \$70 million, with a target of \$200 million. However, during the COVID-9 era, the World Bank contributed \$30 million in loans to assist MSME and SME. This is the policy's guideline for facilitating SMEs' access to funding. The tax policy section collects taxes for MSME at 1 percent of profits, the trade tax at 2 percent, and the service tax at 3 percent, but the general tax is at 20 percent, the education tax at 5 percent, and the various research taxes at 7 percent. State-owned lending holds a relatively low interest rate of about 3 percent for MSME and SME, but interest on large-scale loans from the World Bank is roughly 5-8 percent. The obstacle to MSMEs and SMEs is that, despite the various policies supported, there is no security in the guarantee to borrow because government policy requires lending through a commercial banking system that is jointly governed by six banks. Therefore, it is planned to have agencies in charge of MSME and SME, which will result in easier access to funding. For the last release, there's a good rest, no debt whatsoever. Another way of accessing MSME and SME funds is to protect access to funds, which requires financial management and business planning training. It requires a government-designated course to maximize the benefit of funds. In tax savings, MSME accounts for about 95 percent of all taxes all taxes in Laos, but in the tax collection framework, only 65 percent still can't collect all taxes. By MSME, there will be four major categories: agriculture, livestock, crafts, and tourism, which will receive government funding. The past has received training and support from academics abroad, such as a \$30 million loan from the World Bank and a \$5 million loan in academic support for training in the use of the credit system.

After COVID-19, MSME and SME entrepreneurs have adapted to the policy of the association but have to acknowledge that the main problem is the source of funding. Even if the attempt to release funds through commercial banks is not complete, there is a release of microfinance, but it charges a higher interest rate than the commercial bank of 12 percent, while the interest rate of the commercial bank that cooperates with the government will be between 3 and 8 percent per year. The critical aspect of selecting MSME and SME entrepreneurs with quality access to funds and not misused methods is to stay under the MSMEs and SMEs business associations in order to have a group collaboration in storing information with banks to ensure that loans are implemented as efficiently as possible. During the COVID-19 period, measures to assist MSMEs and SMEs included reducing tax collection for a period of 3 months and also encouraging the tax-enrolled business sector to have a 0.1 percent reduction in income tax. For tax exemptions for MSME, the income is less than \$50 million, but if the income exceeds \$50 million a year, only 0.1 percent is stored. MSME and SME that in Laos there is convenient access to online media and there is adaptation of MSMEs using QR-code for payments, which reduces the burden on entrepreneurs, which can be regarded as an overall use of online technology. The problem of labor shortages is another major problem that affects.

Currently, foreign labor is being imported to solve this problem. As far as financial volatility is concerned, Lava has also affected cooperation and investment from abroad, but Lava itself has collaborated with the Bank of Thailand to find a way to make payments through the QR-code system to improve the efficiency of payments between Thailand and Laos. Currently, the e-commerce system in Laos is being continuously developed and experimented with through the Laos sale system from the Ministry of Industry and Commerce and payment through the banking system, which is still a web-chatting application. In other applications, you need to be registered in Laos before you can trade. In summary, the issues are as follows.

1. The MSME Promotion Fund has been set up with loans from the World Bank to fund loans at low interest rates.
2. The problem of a lack of MSME business lending guarantees has resulted in the refusal of loans from major financial institutions. From this point of view, the Ministry of Finance has a policy to establish a credit assurance agency for MSMEs to apply for a loan from commercial banks in the same way as "Thai Credit Guarantee Cooperation (TCG)."
3. An entrepreneur's knowledge development will be carried out in a semi-compulsory manner, and entrepreneurs who want to apply for a loan will have to undergo training in business knowledge development in the field of planning and administration from a state agency before they can submit a loan application.

2.2 Office of Commercial Affairs, Royal Thai Embassy

1. The MSME database system in Laos found that MSM is not registered with the state agency because of accounting and taxation problems. The part that is registered is usually MSM with a Laos, a Chinese, a Vietnamese, a Malaysian, or a Thai registered. Not all of them are carried out by Laos themselves.
2. If it belongs to a self-executed lava, it is usually not an MSM but a large (L) enterprise. So if you want to study a lava's enterprise, you may need to use L as a representative (defining the size of an enterprise classified by employment or internationally, generally, by capital may be an exception in the case of Laos).
3. The state's financial assistance would push through a regulation for financial institutions to operate, which would contribute to the fact that a business that lacks funding and is unable to access credit from a financial institution would have to accept a high rate of interest from Microfinance instead.
4. The problem with the MSME in Laos is its low export capacity. The business is aimed at compensating for a portion of domestic demand to reduce imports. But the main problem of MSMEs is the need to import raw materials, so they suffer cost problems from the depreciation of money (Laos MSMEs have two major branches: agriculture, industrial manufacturing, and services).
5. The exchange rate problem was a major obstacle that made Laos MSME unable to compete overseas because it had to import raw materials primarily from different countries. Furthermore, the weakening of the currency also caused the outflow of labor abroad, causing problems with the shortage of domestic labor and the inclination to education by workers who were unwilling to pursue high-level studies because domestic wages were not advisable, so they stopped studying at the secondary level and aimed at finding jobs in Thailand instead of continuing their studies.

2.3 Big C Supermarket Vientiane

Lao consumers are increasingly accustomed to crossing the border to buy in Thailand. As a result, the Big C brand is already well-known among Laos, and they intend to invest in Laos to build a consumer base there. Shopping is easier, thus the products at Big C in Laos will be similar to those at Big C in Thailand's Nong Khai and Udon Thani provinces. The products are largely imported from Thailand, with only a minor percentage purchased in Laos. Big C's investment strategy is to start with a small business, Big C Mini, and then expand to 70 small branches throughout Vientiane to attract customers, with the expectation of 1-2 new customers per day, or approximately 100,000 people per month. It will be an appropriate customer database for establishing large-scale branches. For the most part, there will be a big number of customers on Saturday and Sunday, which is similar to cross-border shopping in Thailand.

Big C's branch investment and development began in 2015 with the management of M-Point, a department store with 30 locations that retained the name. Then they began to expand branches and change to Big C, and last year (2023), it was considered that there was the greatest expansion of branches, with 10 branches in only the capital city of Vientiane and the farthest branch being in Vang Vieng, which opened during the China-Laos railway and expressway.

The products sold in Big C department stores in Laos are imported from Thailand, and sales representatives in Laos will come to offer the products and then deliver them to Big C because Thai products already have distributors in Laos, but there are also local products such as beer and sweet drinks. These are local items since they have long been popular in the Lao market, making it difficult to compete with Thai products because they are less expensive and more popular. Imported items. As a result, Lao beer and spirits might be regarded Laos' national products.

In regulating the currency's value, one must understand that there is still a significant danger to Big-C enterprises and many Thai businesses who come to invest in Laos because the Lao currency has depreciated following the COVID-19 crisis. To mitigate risk, operators deal in three currencies: baht, kip, and US dollar. Big-C has higher risk than other firms since the bulk of its customers are in the household sector, which mostly uses kip, prompting Big-C to accelerate the conversion of kip into foreign currency or utilize it to pay suppliers in order to mitigate risk.

Laotian products for sale at Big-C are limited because there are few standardized products. Because Laos has a limited production base for consumer goods. Alcohol goods are the primary source of production in Laos, and they are also rejected by the Lao people. In terms of seafood items, Thailand faces competition from Vietnam, which is easier to import and has a higher quantity than Thailand, resulting in a lower price. However, there are concerns with quality standards. In terms of certification, Vietnam's products continue to lag behind those of Thailand. The use of various chemicals, which is consistent with the poll conducted

before to the inauguration of Big C, demonstrates which country's products they are most confident in. As it turned out, the goods was from Thailand, followed by Vietnam and China.

The issue of money is one of the limits to Thai entrepreneurs' investments. The second is a limited labor market, and some people choose to work abroad since the pay is greater. However, due to economic concerns, Laos has adjusted labor wages to be reasonable, and when paired with the entry of tourist and hotel business groups, there is sufficient power to entice workers to work in Laos. Human resource development in the organization makes use of training guidelines provided by Thai workers who come to train and prepares a guidebook for individuals to follow and learn how each process is accomplished. There are two kinds of assistance technology: online and offline. In terms of internet marketing, products and services are promoted all over social media platforms such as Facebook and Line. The second strategy is to use influencers to promote things through their pages. However, offline buying in Laos is challenging due to local regulatory limitations. In contrast to Thailand's computerized system, doing business in Laos remains more manual. Because labor resources lack the necessary expertise to completely adopt digital systems, they will be required to work substantially longer hours than in Thailand. For example, the accounting system in Thailand can be utilized for computations, but in Laos, people must still rely on others to audit their accounts because the documentation in Laos are insufficient. Action must be made swiftly, particularly in the case of currency, because the exchange rate is quite volatile. As a result, doing business in Laos requires exceptional financial management skills and the ability to stockpile goods due to the significant risk of currency loss.

2.4 Mr. Chansamone Vongphaisit Deputy Head of the National Institute of Economic and Social Sciences Enterprise Research Institute met at the Enterprise Research Institute.

The MSME Institute was established to foster collaboration between entrepreneurs and the government sector. It will listen to entrepreneurs' requirements and submit them to the government for support, working with the Ministry of Commerce, the Trade Council, and other ministries in both the public and private sectors.

During COVID-19, MSME and SME were undoubtedly affected. However, even after COVID-19, the economic condition, inflation, and other factors continue to affect enterprises. As a result, a special agency has been established to oversee MSME and SME, which includes several ministers from the government sector who are interested in economic problem solutions. That is the biggest issue at the moment.

The economic condition of Lao PDR has not improved as a result of the COVID-19 pandemic. However, following Doquit, there was inflation. Considering the influence of the conflict on the pricing of various products, for which the Lao PDR had very large imports, particularly oil, whose prices were constantly high, necessitating the use of additional foreign currency in the treasury to purchase goods.

These conditions cause the treasury to run out of foreign currency for international reserves, resulting in inflation and a significant depreciation of the kip. It has lost more than 100 percent of its value during the last two years. Another concern affecting entrepreneurs in Lao PDR is a labor scarcity caused by the big currency disparity, which results in cheap pay but growing product prices, forcing labor to relocate to Thailand and Korea.

In the past, policies have been issued to assist MSME and SME businesses on a constant basis, such as the promotion fund policy, which has been in place since 2003 and has been used regularly, with initial backing from the World Bank. Nowadays, it is acceptable. This policy was overseen by the Lao People's Democratic Republic administration. However, due to the weaknesses in the entrepreneurs' enterprises, they are unable to access the money since they do not match the requirements, forcing them to rely on external funding with higher interest rates. As a result, a policy is presently being established in collaboration with commercial banks to help entrepreneurs access government finance and navigate their own enterprises through the crisis.

Previously, the strategy targeted at creating entrepreneurial strength was regarded inadequate because it only gave instruction on how to meet the conditions for promotion money. Furthermore, the fact that only members of the same group of entrepreneurs are participating reduces the competitiveness of other enterprises. Beginning at the end of 2023, Lao PDR will promote the development and distribution of capital at the local level in order to increase MSMEs' and SMEs' access to financing.

Entrepreneurs in Lao PDR use technology to aid and promote new businesses, and the government supports commercial activity through the digital economy plan and the National Product Master Plan. In addition to promoting start-ups by organizing competitions to invest in growing start-up firms, which

enables different start-up groups to grow to an international level, corporate expansion within the country may be hindered due to Lao PDR's smaller market size.

There are various platforms available today, but the most of them are for product advertising and selling items imported from China, with platforms for local trade still to be developed. Another reason MSME in Lao PDR have been unable to expand is that they are domestic firms, allowing for gradual expansion, as well as a skilled and unskilled labor scarcity.

2.5 A group of Thai businessmen in a network called YEN-D of Laos.

2.5.1 Salana Boutique Hotel

Following COVID-19, the MSMEs company in Lao's hotel group had numerous challenges, which can be stated as follows:

1. Tourist numbers have declined dramatically due to country closures and international travel control measures. Tourists have not returned in the same numbers since the new country opened.
2. Income decreases because of a decrease in tourists reduces hotel income. Businesses must rely heavily on accommodation. When tourists do not arrive, income is lost.
3. Hotel cost management involves various fixed costs, such as staff, water, energy, and rent. When revenues diminish, it becomes more difficult to manage these costs.
4. Financial and liquidity issues, particularly a continued income shortage, have rendered several hotels insolvent and made it difficult to repay current loans.
5. Rehabilitation and Adaptation Following the COVID-19 era, they needed to adjust to entice tourists back, such as upgrading the site and enhancing sanitation, but this adaptation cost expenditure, which added to their load.
6. Lack of workforce During COVID-19, many staff were fired or changed occupations, leaving the hotel industry with a shortage of trained people when it launched a new firm.
7. Tourists are more picky about where to stay and how they travel. Which hotels must adjust to meet the new needs of tourists?
8. As each business strove to attract a limited number of tourists, hotels were forced to lower their costs or add more services to gain an advantage.
9. Travel and tourism policies are continually changing, making it difficult to adapt to ambiguous policies.

2.5.2 ECME Electrical Civil Mechanical Engineering

MSMEs in Laos have encountered a number of challenges since the COVID-19 pandemic. The following are some common difficulties.

1. A labor scarcity; following the COVID-19 pandemic, workers with electrical installation expertise may be scarce. Many people may change occupations or move to a different location. Furthermore, border barriers during the Covid-19 outbreak prevented foreign workers from entering the workplace normally.
2. Increased material and equipment costs; material and electrical equipment prices have risen as a result of material supply and transportation issues that have yet to be resolved following the COVID-19 scenario. Material imports from other countries also faced greater transportation and tax issues.
3. Market instability, the demand for construction and building improvement has not fully returned as a result of economic worries, leaving an electrical installation firm with little prospects to gain new work.
4. In the absence of financial support, most MSMEs experienced a lack of circulating capital and financial support from banks or financial institutions as a result of rigorous credit release policies implemented following the COVID-19 era.
5. rose competition, rivalry in the electrical installation business rose as larger companies with greater resources and money joined the market, forcing MSMEs to adapt and innovate to compete.
6. Rapid technical changes, alterations, and advances in the field of electrical systems have left MSMEs without training or updating their technological knowledge vulnerable to obsolescence and a lack of ability to adapt to consumer requests.
7. Many MSMEs in Laos continue to lack the expertise and skills to successfully manage their operations, leaving them insufficient and unable to respond rapidly to market developments.
8. Compliance with standards and regulations: An electrical installation business must adhere to stringent safety and regulatory standards. Lack of understanding or ability to comply might result in legal issues and reputational damage.

2.5.3 EFG Events

Following COVID-19, the event organizer business, MSMEs in Laos, encountered a variety of issues.

1. Sanitary and safety restrictions. The event is nonetheless subject to tight hygiene and safety procedures, which raises the cost of providing anti-proliferation materials and equipment like medical masks, hand washing gels, and temperature measuring equipment.
2. A decrease in clients and attendees. Concerns regarding the spread of COVID-19 remained, resulting in event cancellations or delays, as well as a decline in attendance. This impacted the Event Organizer's earnings.
3. Organizational changes, such as hosting online and virtual events, have grown in popularity, but MSMEs without the skills or resources to exploit these new technologies may struggle to adapt and provide excellent services.
4. Market instability, economic concerns, and the spread of the situation complicate planning and operations. Businesses may experience last-minute cancellations or unanticipated changes in plans.
5. Increased expenses. The post-COVID-19 event was expensive due to cleanliness and safety precautions, as well as the provision of extra supplies and equipment. Furthermore, adapting event patterns to new technology necessitated financial resources and time to train workers.
6. More competition. The competition in the event organizer market is expanding since larger companies with greater resources can provide more flexible and high-quality services. Puts MSMEs under pressure to maintain their competitiveness.
7. Lack of financial support, a lack of operating capital, and financial assistance from banks or financial institutions are key issues. Businesses may require personal finances or debt to run, posing long-term financial risks.
8. Changing customer needs. Customer requirements have shifted since the COVID-19 period. Customers may require more flexible and secure services. Businesses must adapt and improve their offerings to meet the needs of their customers.

2.6 TOA Paint (Laos) Sole Co., Ltd.

TOA has been functioning in Laos for many years as a distribution point in various capitals, and there are numerous distribution stations throughout the country. The merchant will have a mixer with which to TOA. Following the events in Laos, currency swings made trade more difficult, as the daily variety of the value harmed the business. Subcontractors may have to take on significant risk when purchasing these items because they will be stored in the warehouse and subsequently sold, hurting their ability to purchase them in the next cycle. Subcontractors have thus adjusted the currency's price, and the buyer purchases it in cash using the exchange rate at the time, which is the market price that is not set by the central bank, and the subcontractor will also attempt to convert the money into cash on that day to reduce the risk that it will affect their business.

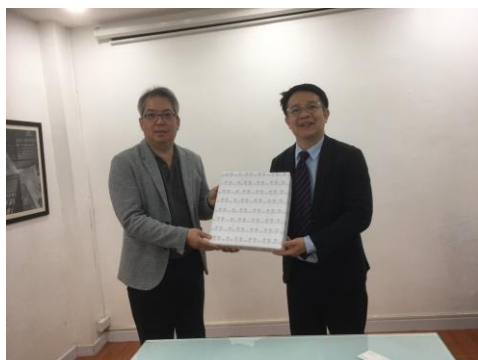
TOA endures currency volatility comparable to that of a subcontractor, albeit to a smaller level, given to its aversion to financial risk. Nowadays, however, finance has an impact on various sectors in Laos, but another point that worries investors is the issue of human resources, where the current Lao labor age population is smaller and craft skills are underdeveloped. Moving to work on the Thai coast has resulted in more money being earned; even the lowest wage in Thailand is thought to be higher than working in Laos since it avoids the danger of currency instability. The Lao have not promoted the development of skills for the working age or the new generation as they should. These issues raise concerns about how we will cope with domestic debt, currency, and people.

Based on what has been stated above, the issue can be summarized as follows.

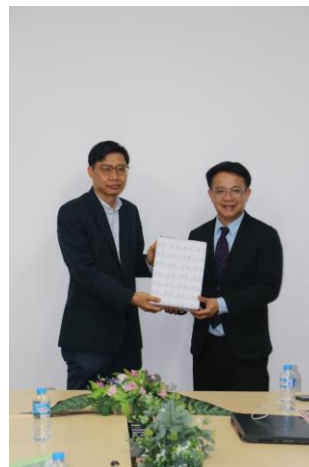
1. Problems stem from the currency's lack of stability.
2. The issue of labor shortages, which includes labor skills.
3. A lack of skill development.

Pictures of data collection in Vientiane, Laos

Mr. Kavin Viriyapanich, Minister Counsellor (Commercial)
Office of Commercial Affairs, Royal Thai Embassy, Vientiane, Lao P.D.R
and Businessman in Laos P.D.R.



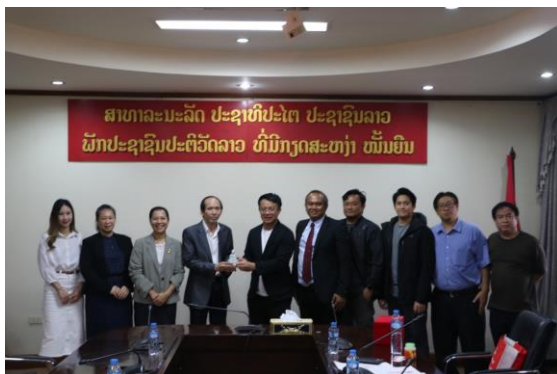
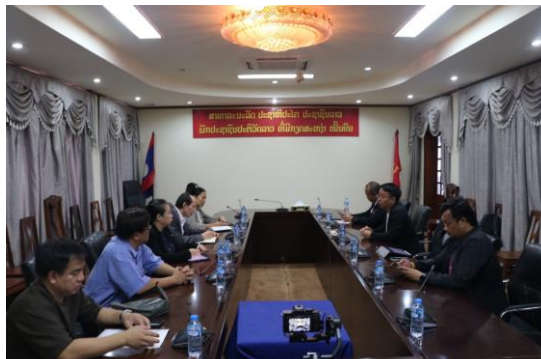
H.E. Phouvong Kittawong, Deputy Minister of Finance



Executive and Staff of Big C Super Center, Vientiane Branch



Mr. Chansamone Vongphaisit
Deputy Head of the National Institute of Economic
and Social Sciences Enterprise Research Institute
and Staff



Dr. Phanhpakit Onphanhdala, Vice President of the Sokxay Group and CEO of the trading business group of the Sokxay Group



TOA Paint (Laos) Sole Co., Ltd., Vientiane Branch



In addition, a questionnaire and interview form were developed to collect information regarding MSME operators as well as key governmental and commercial agencies.

Questionnaire

Part 1 General information about small and medium sized enterprises (Micro, Small and Medium Enterprises: MSMEs)

1. Business information

1.1 Business name.....

1.2 Business location

- ☐ 1) Thai
- ☐ 2) Lao
- ☐ 3) Cambodia
- ☐ 4) Myanmar
- ☐ 5) Vietnam

1.4 Office address Number..... No.....Road.....District/Subdistrict.....

District/District.....Province.....Postal code.....

telephone..... fax.....

Email.....

1.5 Location of factory/store/service location

- ☐ Same place as the office
- ☐ Other places (specify)

Number.....Moo No.....Road.....District/Subdistrict.....

District/District.....Province.....Postal code.....

telephone..... fax.....

Email.....

1.6 Name - Surname of the information provider.....position.....

Mobile phone.....Telephone.....fax.....

1.3 Number of years in operation of the business.....

Business type

- ☐ 1) Individual
- ☐ 2) Group of people
- ☐ 3) Limited Partnership/Partnership.
- ☐ 4) Corporation
- ☐ 5) Other association

Paid-up registered capital of the business.....USD

Total number of employees of the business.....people

Shareholding Proportion Local people..... % foreigner..... %

1.4 Does your business have a business license?

- ☐ 1) Yes
- ☐ 2) none

1.5 Business type

- ☐ 1) Agriculture (Agribusiness)
- ☐ 2) Food & Beverage
- ☐ 3) Fashion (Fashion)
- ☐ 4) Household and Office Products (Home & Office Products)

- ☐ 5) Personal items and medical supplies (Personal Products & Pharmaceuticals)
- ☐ 6) Automotive (Automotive)
- ☐ 7) Industrial materials and machinery (Industrial Materials & Machine)
- ☐ 8) Paper and printing supplies (Paper & Printing Materials)
- ☐ 9) Petrochemicals and Chemicals (Petrochemicals & Chemicals)
- ☐ 10) Steel and Metal Products (Steel and Metal Products)
- ☐ 11) Building materials (Construction Materials)
- ☐ 12) Construction services (Construction Services)
- ☐ 13) Real Estate Development (Property Development)
- ☐ 14) Energy and Utilities (Energy & Utilities)
- ☐ 15) Mine (Mining)
- ☐ 16) Commercial (Commerce)
- ☐ 17) Others.....

1.6 Business type

- ☐ 1) Manufacturing Sector (Business that produces products Whether it is agricultural products industrial sector or even mining)
- ☐ 2) Wholesale Sector (Business related to retail, wholesale, including import and export)
- ☐ 3) Service Sector (Businesses in tourism, hotels, restaurants, transportation, health, education, insurance)

1.7 Business size

1.7.1 Production

- ☐ 1) Micro enterprise (Business with income not exceeding 1.8 million USD per year and employment not exceeding 5 people)
- ☐ 2) Small Enterprise (Business with revenue not exceeding 100 million USD per year and employment not exceeding 50 people)
- ☐ 3) Medium Enterprise (Businesses with revenue not exceeding 100-500 million USD per year and employment not exceeding 50-200 people)

1.7.2 Trade

- ☐ 1) Micro Enterprise (Business with income not exceeding 1.8 million USD per year and employment not exceeding 5 people)
- ☐ 2) Small Enterprise (Business with revenue not exceeding 50 million USD per year and employment not exceeding 30 people)
- ☐ 3) Medium Enterprise (Businesses with revenue not exceeding 50-300 million USD per year and employment not exceeding 30-100 people)

1.7.3 Service

- ☐ 1) Micro enterprise (Business with income not exceeding 1.8 million USD per year and employment not exceeding 5 people)

☐ 2) Small Enterprise (Business with revenue not exceeding 50 million USD per year and employment not exceeding 30 people)

☐ 3) Medium Enterprise (Businesses with revenue not exceeding 50-300 million USD per year and employment not exceeding 30-100 people)

Total sales

Year 2017, amountUSD In the country..... % Abroad..... %

Year 2018 Amount USD In the country% Abroad..... %

Year 2019 Amount USD In the country..... % Abroad..... %

Year 2020 Amount USD In the country..... % Abroad..... %

Year 2021 Amount USD In the country..... % Abroad..... %

Year 2022 Amount USD In the country..... % Abroad..... %

Year 2023 Amount USD In the country..... % Abroad..... %

Year 2024 quantity USD In the country..... % Abroad..... %

Part 2 Information on products, marketing, finance, employment, and regulations. of small and medium sized enterprises (Micro, Small and Medium Enterprises: MSMEs)

2. Product information

2.1 Business products are.....

2.2 What was the average monthly production of the business before the COVID- 19 pandemic?

.....USD

2.3 Do you have specific quality control measures?

☐ 1) Yes ☐ 2) No

2.4 Where do you source your raw materials or components?

☐ 1) Local ☐ 2) Domestic ☐ 3) Imported

2.5 Machinery or equipment used in production

- ☐ 1) none
- ☐ 2) Food production machinery
- ☐ 3) Printing machinery
- ☐ 4) Industrial marking machinery (e.g. date stamp machines, Various marks)
- ☐ 5) Pulp and paper machinery
- ☐ 6) Rubber and plastic machinery
- ☐ 7) Textile plant machinery
- ☐ 8) Terracotta and Concrete Industry Machinery
- ☐ 9) Glass and crystal factory machinery
- ☐ 10) Pharmaceutical and Chemical Plant Machinery
- ☐ 11) Gas production and distribution machinery

- ☐ 12) Industrial reduction machinery
- ☐ 13) Foundry Machinery
- ☐ 14) Metal container manufacturing machinery and equipment
- ☐ 15) Ammunition manufacturing machinery and equipment
- ☐ 16) Machinery used in assembly
- ☐ 17) Cleanroom machinery
- ☐ 18) Special industrial machinery
- ☐ 19) Other

3. Marketing Information

3.1 How is your business market segmented?

- ☐ Demographic information: Demographic (such as gender, age, nationality)
- ☐ Geographic information: Geographic (such as province, region, country)
- ☐ Attitudinal information: Psychologic (e.g. interests, hobbies, social status)
- ☐ Customer behavior information: Behavioral (such as product use, product purchase

price sensitivity)

- ☐ Information on communication channels: Media (such as social media, searches on

the internet)

- ☐ Other

3.2 Which group does your sales come from most?

- ☐ Group of retail customers
- ☐ Business /Corporate Customer Group
- ☐ Wholesale customer group
- ☐ Group of regular customers
- ☐ New customer group
- ☐ Group of online customers
- ☐ Group of foreign customers
- ☐ Other

3.3 Through which channels do your customers purchase your products or services most often?

- ☐ Online selling platform
- ☐ Wholesale/retail sources
- ☐ Department store
- ☐ Other

3.4 How often do your customers buy your products?

- ☐ every day
- ☐ 1-5 times per week
- ☐ Once a month

- ☐ depending on the occasion
☐ Other

3.5 Channels that businesses use to reach their target groups

- ☐ Billboard
☐ relatives, friends, acquaintances
☐ Television
☐ Magazines, Journals, Newspapers
☐ Radio
☐ Online media
☐ Other

4. Financial information

4.1 Income in the fiscal yearUSD

4.2 Average monthly incomeUSD

4.3 Net profit margin of the business before the outbreak,USD.

4.4 What are your main expense categories?

- ☐ 1) Raw material cost ☐ 2) Labor cost
☐ 3) Rental Cost ☐ 3) Other

percentage of debt does your business have?

4.6 Does your business have plans for expansion?

- ☐ 1) Yes ☐ 2) No

4.7 Does your business have a contingency plan for unexpected financial challenges?

- ☐ 1) Yes ☐ 2) No

4.8 Does your business report its financial performance to stakeholders?

- ☐ 1) Yes ☐ 2) No

4.9 Who are the stakeholders?

- ☐ 1) Investor ☐ 2) Lender
☐ Government ☐ 3) Other (specify).....

4.10 Your business has financial regulations that it must adhere to.

- ☐ 1) Yes ☐ 2) No

4.11 Has your business faced a financial audit before?

- ☐ 1) ever ☐ 2) never

5. Employment information

5.1 How many employees does your business currently have?

5.2 Before the outbreak of COVID-19 How many employees does your business have?.....

.....

5.3 Characteristics of hiring employees

- ☐ 1) full-time employee ☐ 2) part-time employee

- ☐ 3) Contract employees ☐ 4) Others.....

5.4 Types of employee benefits

- ☐ 1) Bonus or annual salary adjustment ☐ 2) Retirement plan
☐ 3) Bonus ☐ 4) Social Security
☐ 5) Health insurance ☐ 6) Overtime pay
☐ 7) Provident Fund ☐ 8) Other.....

5.5 How does your business determine employee wages?

- ☐ 1) Education level (Starting rate)
☐ 2) Position level (Step rate structure)
☐ 3) Price rate structure
☐ 4) Hourly rate structure
☐ 5) Other.....

5.6 Format for employee development

- ☐ 1) Organize a training course (training) ☐ 2) Organize a practice
 (workshop)
☐ 3) Seminars/visits ☐ 4) Mentoring system (Coaching /
 Mentoring)
☐ 5) There are learning resources for doing your own research.

5.7 Organizational culture in your business

- ☐ 1) Clan Culture
☐ 2) Adaptability Culture
☐ 3) Bureaucratic Culture
☐ 4) Achievement Culture
☐ 5) Other.....

5. 8 methods for dealing with employees whose performance is below standard.

- ☐ Give feedback periodically (Feedback)
☐ Prepare a development plan (Development Plan)
☐ Coaching and mentoring (Coaching and Mentoring)
☐ Prepare a performance improvement plan.
☐ Lay off employees
☐ Other.....

5. 9 Your country has labor laws that govern employment, contracts and working conditions.

- ☐ 1) Yes ☐ 2) No

5. 10 There is a law regarding minimum wages.

- ☐ has (wage rate)
☐ none

5.11 Payment of labor wages

- ☐ 1) Daily ☐ 2) Weekly

- ☐ 3) Monthly ☐ 4) Other (specify).....
- 5.12 Minimum labor wage that you pay on average per person.....USD
- 5.13 Factors to consider in increasing your labor wages
- ☐ Adjust according to business income
 - ☐ Adjust according to the skills of the workers
 - ☐ Adjust according to minimum labor
 - ☐ other
- 5.14 Important labor problems that your business is facing
- ☐ Labor shortage
 - ☐ Shortage of skilled workers
 - ☐ high labor costs
 - ☐ Movement in and out of workers
 - ☐ other
- 5.15 How do you solve labor problems?
- ☐ Reduce/terminate welfare such as bonuses, allowances, lunches.
 - ☐ Reduce the number of workers, working hours and allow workers to perform multiple duties.
 - ☐ Change the form of regular employment to daily labor. Hired as a part-time job
 - ☐ other
- 5.16 Need for labor assistance from the government
- ☐ Labor wage funding support
 - ☐ Facilitate the importation of foreign workers.
 - ☐ Promote the creation of labor skills
 - ☐ There is a central location where businesses and workers can meet.
- 6. Regulatory information**
- 6.1 Does your business have any specific regulations or standards?
- ☐ Yes ☐ No
- 6.2 What is your competitive advantage?
- | | |
|--|--|
| <input type="checkbox"/> 1) Product quality | <input type="checkbox"/> 2) Price |
| <input type="checkbox"/> 3) Customer service | <input type="checkbox"/> 4) Marketing |
| <input type="checkbox"/> 5) Distribution Network | <input type="checkbox"/> 6) Innovation |
- 6.3 In your country are there laws that regulate groups? Small and medium enterprise entrepreneurs in the Mekong River basin particles
- ☐ 1) Yes ☐ 2) No
- 6.5 In your country, are there any incentives or tax exemptions for small and medium-sized enterprises?
- ☐ 1) Yes ☐ 2) No

6.6 In your country are there financial reporting and auditing requirements for operators of small and medium-sized enterprises?

- ☐ 1) Yes ☐ 2) No

Part 3 Questions for assessing the frequency and opinions of small and medium-sized enterprises (Micro, Small and Medium Enterprises: MSMEs)

- 1 means strongly disagree.
2 means disagree
3 means not sure
4 means agree
5 means strongly agree.

Question points	Frequency level/comments				
	(1)	(2)	(3)	(4)	(5)
Product side					
1. Your business has challenges in procuring raw materials for production .					
2. Your business is constantly managing inventory levels.					
3. Your business is always changing the latest technology in the production process.					
4. Your business requires continuous maintenance of machinery.					
Marketing					
1. Your business has a plan to manage ongoing market fluctuations.					
2. Your business is always evolving to meet market demands.					
3. Your business uses technology to track behavioral data. continuous customer group					
4. Does your business have Always promote products/services.					
5. Does your business have a plan to lead? Products/Services Enter new market groups					
6. Your business is constantly analyzing competitors.					
7. Your business is always researching market segments.					
8. Your business was likely growing before the COVID-19 outbreak.					

Question points	Frequency level/comments				
	(1)	(2)	(3)	(4)	(5)
9. Your business is likely to grow after the COVID-19 outbreak.					
Financial					
1. Your business uses cost-saving measures.					
2. How profitable is your business compared to your competitors?					
3. Your business's cost levels before the COVID-19 outbreak					
4. What challenges does your business face in accessing finance?					
5. Your business has a financial assessment and plan.					
6. Your business has financial audits and projections.					
Employment					
1. Your business regularly organizes training programs for its employees.					
2. Your business faces challenges in finding qualified candidates for the position.					
3. Does your business provide training for new employees?					
4. Your business regularly reviews employee salaries and benefits.					
5. Your business offers opportunities for professional development and career advancement.					
6. Employee turnover rate					
7. Your business promotes diversity and inclusion in the workplace.					
8. The working environment is safe and good for the health of employees.					
9. Your business evaluates and measures employees regularly.					
10. Your business complies with labor laws and regulations.					
11. Your business has a labor complaint.					
12. Does your business support cross-functional training to upskill employees?					
13. Your business had plans to increase its workforce before the COVID-19 outbreak.					
14. Does your business have a plan for adapting your workforce to changing market conditions?					
15. Does your business regularly review employee salaries and benefits?					
Regulatory aspect					
1. Your business complies with hygiene laws.					
2. Your business complies with safety laws.					

Question points	Frequency level/comments				
	(1)	(2)	(3)	(4)	(5)
3. Your business complies with environmental laws.					
Does your business comply with the law?					
4. Does your country have specific laws or policies that promote the growth and development of small and medium enterprises? in the Mekong River basin particles					
5. Benefits received when register new small and medium enterprises in your country.					
6. Does your country have tax incentives or exemptions? Small and medium enterprise entrepreneurs					
7. Does your country have trade regulations that promote import/export?					
8. Is your business affected by tariffs/international trade agreements?					
9. Does your country promote regulations and mechanisms to protect intellectual property rights, patents, trade marks, copyrights?					
10. Does your business face challenges related to counterfeiting or intellectual property infringement?					
11. Your business has difficulty accessing bank loans.					
12. Your government has a financial support program for entrepreneurs. small and medium sized enterprises					
13. Your country has environmental protection laws and practices sustainability guidelines.					

Section 4 Other information and operational plans

During the past 5 years, has your business had any of the following activities? (You can answer more than 1 question)

- ☐ 1) Expand production capacity ☐ 2) Modify new machinery ☐ 3) Purchase additional machinery
☐ 4) Improve work processes ☐ 5) Develop products/services ☐ 6) Move business locations
☐ 7) Research and develop raw materials
☐ 8) Market research and buyer behavior
☐ 9) Personnel development
☐ 10) Standardize work processes
☐ 11) Develop product/service standards
☐ 12) Develop a testing system

The reason is because.....

During the next 5 years, will your business have any of the following activities? (You can answer more than 1 question)

- ☐ 1) Expand production capacity ☐ 2) Modify new machinery ☐ 3) Purchase additional machinery
- ☐ 4) Improve work processes ☐ 5) Develop products/services ☐ 6) Move business locations
- ☐ 7) Research and develop raw materials ☐ 8) Market research and buyer behavior
- ☐ 9) Personnel development
- ☐ 10) Standardize work processes ☐ 11) Develop product/service standards
- ☐ 12) Develop a testing system

The reason is because.....

Have you ever received help? Support from government projects or any network agencies

During the past 5 years, has your business had any of the following activities? (You can answer more than 1 question)

- ☐ 1) Expand production capacity ☐ 2) Modify new machinery ☐ 3) Purchase additional machinery
- ☐ 4) Improve work processes ☐ 5) Develop products/services ☐ 6) Move business locations
- ☐ 7) Research and develop raw materials ☐ 8) Market research and buyer behavior
- ☐ 9) Personnel development
- ☐ 10) Standardize work processes ☐ 11) Develop product/service standards
- ☐ 12) Develop a testing system

The reason is because.....

During the next 5 years Does your business include any of the following activities? (You can answer more than 1 question)

- ☐ 1) Expand production capacity ☐ 2) Modify new machinery ☐ 3) Purchase additional machinery
- ☐ 4) Improve work processes ☐ 5) Develop products/services ☐ 6) Move business locations
- ☐ 7) Research and develop raw materials ☐ 8) Market research and buyer behavior
- ☐ 9) Personnel development
- ☐ 10) Standardize work processes ☐ 11) Develop product/service standards
- ☐ 12) Develop a testing system

The reason is because.....

Has your business ever received assistance or support from government projects? or any network agencies

- ☐ 1) Yes, from the project/unit.....year.....
- ☐ 2) never

Important external environmental factors such as product or service standards arising from various government regulations and measures.

How has your business adapted by developing in what areas? (You can choose more than 1 answer)

- ☐ 1) Product standards (Product Development)
- ☐ 2) Production process standards (Process)
- ☐ 3) Supply Chain Development
- ☐ 4) Research and Development (Research and Development)
- ☐ 5) Management (Management)
- ☐ 6) Knowledge and personnel development (KM & HRD)
- ☐ 7) Marketing Strategy

Details carried out.....

Problems and obstacles arising from the external environment

Section 5 Problems and Suggestions

4.1 Personnel

.....

4.2 Marketing

.....

4.3 Funding

.....

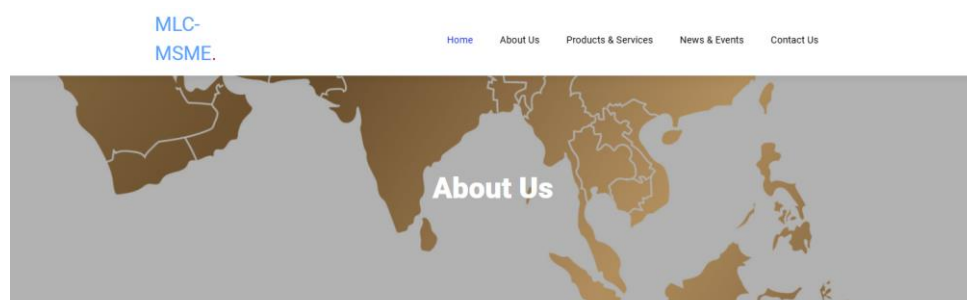
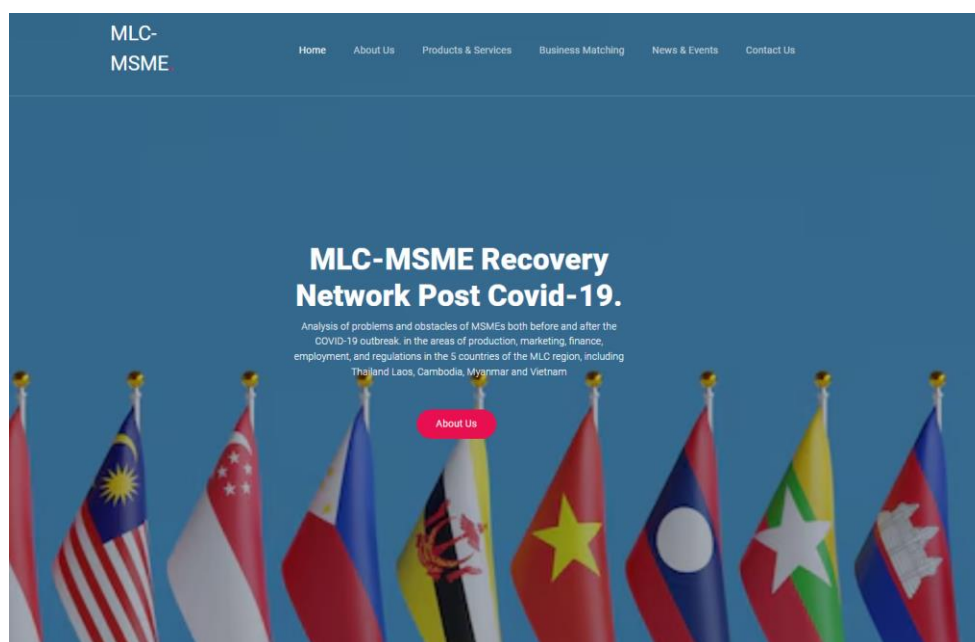
4.4 Technology

.....

4.5 Policy

.....

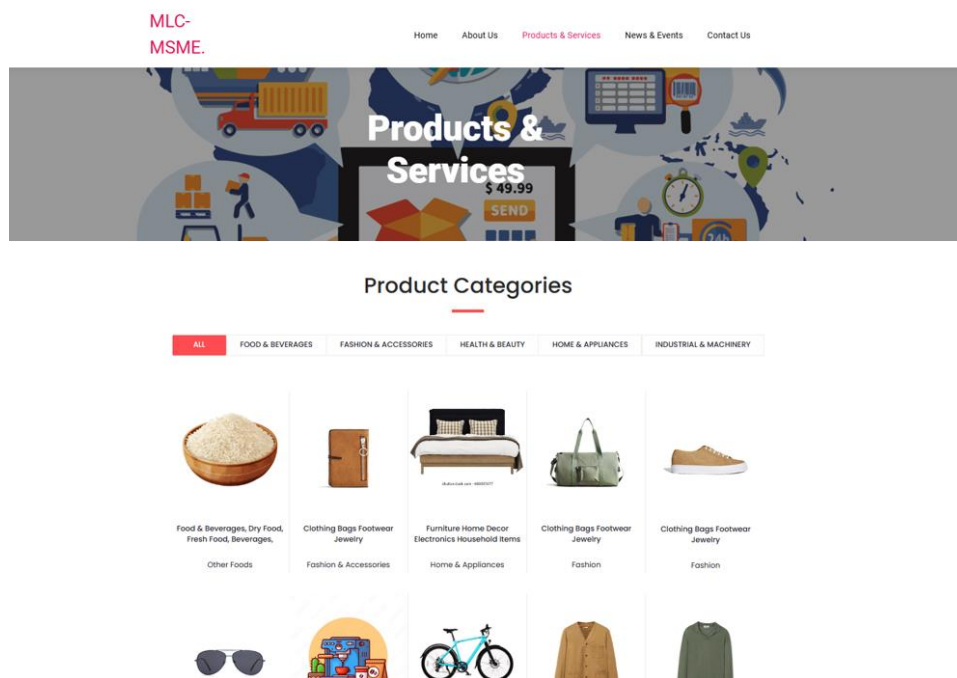
In addition, the research project has designed (draft) the platform shown below.



Our Story History & Mission

Growth trends in Asia are gradually developing, has slowed down since 2018 due to tensions increased global trade, economic uncertainty and the spread of COVID-19, which this pandemic causing people's way of life to be disrupted. Countries in the Mekong-Lancang Cooperation Council (MLC) are like the rest, who are affected by this. The economic disruption has distorted many opportunities for emerging markets of scale small in the region especially the Mekong River at the national level. Small and medium enterprises (MSMEs) which have its increasingly important role in recovering from economic contraction and promoting sustainable economic growth. In the Mekong - Lancang cooperation region.

In developing countries, MSMEs (Micro, Small and Medium Enterprises - MSMEs) are involved. In most economic activities it is considered an important force in creating jobs, economic growth, relief poverty, as well as promoting inclusive and



2. Problem and Challenge

Research in CLMV countries (Cambodia, Laos, Myanmar, Vietnam) often faces many problems and challenges such as:

- Problems with access to information where finding economic and business information within the CLMV group may be difficult because some information may not be systematically recorded or published in an easily accessible format.
- Political instability, for example, in some countries such as Myanmar. Political change and internal conflict may affect business and data storage.
- Language and cultural differences. For research in many countries with different languages and cultures, communication and understanding of information can be difficult.
- Economic instability, which may make stored data inconsistent with reality in the long run.

For the amendment, networking with local organizations and government agencies may be required to facilitate access to information. The use of technology, such as Internet communication, to store data in hard-to-reach areas. Adaptation to changing circumstances is required in order to be able to cope with political and economic instability, and working with local experts will allow for more accurate and comprehensive information.

3. Financial Analysis

The main expenses for this first quarter of the activity are mainly travel expenses for data collection in Cambodia and expenses for the research team.

Lancang-Mekong Cooperation Special Fund

FUTURE WORKPLAN

C	Indicators	Activities	Time Frame					
			Year 1		Year 2		Year 3	
			1st 6-months	2nd 6-months	1st 6-month	2nd 6-months	1st 6-month	2nd 6-months
Output 1	Clarify and revise the research questions, objectives, scope	1. Study, review the literature and collect relevant documents						
		2. Design data collection tools for each country in the LMC.						
		3. Building-up cooperation between academia in 5 countries to explore problems and obstacles of MSMEs						
Output 2	Exploring the problems and obstacles of SMEs both before and after the COVID-19 pandemic	4. Field visit to collect information in Vietnam						
		5. Field visit to collect information in Cambodia						
		6. Field visit to collect information in Myanmar						
		7. Field visit to collect information in Laos.						
		8. Year# 1 report submit (30%)						
Output 3	-International /regional exchange conference of the economy(applying MSME Chinese model to CLMV) -Joint venture start up business under cooperation which can be example for recovery after Covid-19 crisis (phase I)	9.A study on the approach to strengthening MSMEs in China						
		10. Training all 4 countries						
		11. Establishment of Joint venture start up business						
		12. Complete Year 2-interim report progress (50%)						
Output 4	creating a platform economy to promote Strength and elevate MSME	13. Platform economy of CLMV						
		14.Pitching the joint venture (JV) for CLMV						
		15. Platform Economy Trial of MSME- to solve problems in different Countries of the LMC Region						
		16. 70% report progress						
Output 5	- Monitoring, evaluation of the use of platform economy on	17. Best Practice for MSME -CLMV platform						
		18. Collaboration with government and private sectors and business & trade organizations to further leverage the country's platform economy						

Lancang-Mekong Cooperation Special Fund

	promotion efficiency of JV MSME in CLMV - Extending the platform economy to connect MSMEs in the LMC region	in each country (present report to CLMV conference)						
Output 6	- Coordinating with government and private sectors and trade organizations to drive promotion policies. - Strengthening and upgrading MSMEs, as well as policy recommendations on SME trade linkages in the LMC region.	19. A meeting to assess the effectiveness of the platform economy utilization as well as ways to link the platform economy for sustainable SME development for CLMV from TA to the MSME stakeholders in CLMV						
Output 7	Final Report	20. A conference to disseminate approaches to strengthening SMEs after the COVID-19 epidemic from the platform economy and approaches to building a network of linkage development in the LMC region. (90%)						
		21. Submitted final report (100%)						

Remark:

	Completed Process
	In Process
	Further Operations