# Visiting The 'Detroit' Of Southeast Asia

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A few months ago, I had the pleasure of flying across the Pacific to visit Thailand and to tour the county's burgeoning automotive industry. The trip was at the behest of Thailand's Board of Investment (BOI) agency, which has developed a number of policies and incentives to help bring more manufacturing into the country, regardless of industry.

But for this trip, the BOI marketed Thailand as a "Detroit" of Southeast Asia — a place where the big OEMs can invest in order to tap into rapidly-growing markets, and where suppliers of all types can move to better serve their OEM partners. And the region is booming — while Thailand itself is rapidly improving its economic status, the entire region is pushing toward modernization, which includes the rapid adoption of automotive transportation.

I thought I would offer up a few of my experiences based on the week that I spent abroad, and what those might mean for manufacturers looking to expand into the region.

**A Cultural Experience**

When I arrived in Thailand, I immediately found myself overwhelmed. This was my first experience being alone in a place completely foreign to me, and where I was completely foreign as well. After fumbling my way through buying a SIM card from a stand just beyond the baggage claim, I made a phone call to my wife. While it was after midnight in Thailand, she was just getting ready to eat lunch. That was disorienting, to say the least. Maybe it had something to do with having just traveled for nearly 30 hours, but I seriously questioned why I had agreed to take the trip in the first place.

Despite that initial hiccup, I found myself at home with the other editors and journalists that the BOI had invited along on the same trip. A few were from Detroit, while another hailed from Toronto, which meant we could all, at least, compare the brutality of our winters, and complain about how hot it was in Bangkok. The BOI's guides — the primary of which was a graduate of Bangkok's prestigious Chulalongkorn University and had lived in New Jersey for a period of time — were helpful and friendly, and often served as excellent sources of information or help when my capacity of saying much of anything in the native language faltered completely.

Thailand's culture is very different than America's, or any Western country, honestly, but that's not necessarily a bad thing. The American, Australian and French expatriates I met during my travels all seemed to enjoy the new culture in which they now live, so it must be something that quickly adheres itself rather quickly to its new occupants. The language barrier can be a challenge at times, but

for the patient and open-minded, it’s not particularly difficult to get around. Many people in business have learned a surprising amount of English, and those of younger generations are better still.

Personally, I found Thai culture to be extraordinarily polite — perhaps to a fault — but generous and generally accepting of foreign visitors or expatriates. Among business types, there is a general excitement over the country’s direction, and a strong willingness to do the work necessary to get their economic engine moving faster than ever before. No doubt that would-be foreign investors will find this business-friendly attitude endearing and confidence-boosting.

And Bangkok? For a Midwesterner, the traffic is mind-bogglingly frantic. I never stopped cringing every time I saw a motorcycle taxi, complete with a young girl sitting side-saddle on the back while texting, swerve between a pick-up and a concrete barrier with inches to spare.

**The Automotive Future**

On to the matter at hand: Thailand’s viability as an automotive center. Based on my experiences with the BOI, Thailand is primed to grow as a center of automotive production for the entire southeast Asian region. GM Thailand has recently invested $200 million in a new state-of-the-art powertrain facility, with the capacity to build more than 130,000 engines per year. It was a beautiful facility, with Thai engineers working hard to increase capacity and get large (and largely expensive) machining stations online and ready to work.

Ford has also put down $450 million in a new manufacturing facility in the same area of the country — Rayong, just south ofBangkok— with the hopes of turning out 150,000 cars a year. I was among the first journalists to tour the plant after its grand opening, and based on its expansiveness, Ford has big hopes about the direction ofThailand’s growth, both as a nation and an automotive hotspot. The state-of-the-art stamping machine — a three-story structure with robotic arms that do all the heavy (and dangerous) lifting — is the most impressive manufacturing process I’ve ever seen.

The whole region is primed to grow explosively in the next few years, with more Thais leveraging new economic stability to make big-ticket purchases like new cars. And the other countries in the ASEAN region, such as Vietnam, Indonesia and Myanmar— which is just now open for U.S. investment and business — are also performing quite well in pushing toward modernization. I suppose that’s why two of the “Big 3” are already producing hundreds of thousands of cars here.

**Taking It Forward**

In the future I plan on writing more aboutThailand’s future as a manufacturing power, inside and out of the automotive industry. But for now, I think I’ll leave with a final point about how Americans, especially those in manufacturing, could benefit from being a little more cosmopolitan.

American manufacturing, I fear, is becoming too insular. Protectionist, even. We create vast and oftentimes false perceptions about the other side of the world because we want to trumpet ourselves. And that's understandable. If nothing else, my trip abroad taught me that it seems that much of the world, including Thailand, wants to work with American companies, not "steal" production from our plants and workers. I don't remember hearing anyone from the BOI mention that "dirty word" — outsourcing — and it was clear that they wanted companies to invest in Thailand to supply their own people and only their closest neighbors.

And while much of Manufacturing.net's audience isn't in the automotive sector, I think the BOI's efforts in that industry carry over to all others. They certainly did for me. To me, it's all the more clear now than it ever has been that we simply cannot understand another part of the world without actually going there. And even then, there's so much more to learn.

For example: When Thais greet each other or say goodbye, they say a simple phrase: *sawasdee ka* (what women say) or *sawasdee krup* (what men say). Of course, I didn't know the difference until after I had come back from my trip, which meant I had been greeting Thai businesspeople and industry hot-shots as a woman. They've probably heard that mistake dozens of times before, but it still pings me with embarrassment when I'm reminded of it.

In the near future, I'll write a bit more specifically about what makes Thailand a possibility for industrial investment. Until then, *sawasdee* ***krup***.

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