

CHAPTER NINE

MANUFACTURING ENTREPRENEURS

INTRODUCTION

When Thailand switched from a policy of import substitution to export promotion, it created an environment in which manufacturing opportunities began to appear. In the beginning, these were related to the low costs of labor. Foreign firms could manufacture and ship from Thailand cheaper than they could manufacture in their own countries. However, they did not have sufficient knowledge, in many cases, to open manufacturing facilities in Thailand. Foreign manufacturers preferred to have their products manufactured in the facilities of Thai entrepreneurs.

Obviously, the characteristics of Thai manufactures were not all the same. They varied in ways similar to the retail entrepreneurs discussed in Chapter eight. However, the entrepreneurial process by which local entrepreneurs founded manufacturing business had some similarities.

Prapa Wereyprapikej

ดร. ประภา วีริยประไพกิจ Prapa Wereyprapikej is very typical of the modern Thai entrepreneur. Her grandfather came from China to start a rice mill. He must of achieved some success in this venture because here grandfather sent her father back to China to be educated. Her link to manufacturing came because she married a steel salesperson. It was her husbands death that caused her to enter this industry, and eventually become one of its leaders.¹

She started her first firm in 1955 . Together with her younger brother, she set up a factory to process scrap metal. they purchased Japanese war surplus aircraft and machinery.

From this they took the usable components, which they sold. This is a fairly common entrepreneurial business. The sale price of the components on junked vehicles is much higher than the price paid for the junk. In this respect, her strategy was very similar to that used by the founder of the Central Department store. In that case he purchased the magazine by weight but sold them on a different basis. Purchasing on one basis and selling on another seems to be a profitable entrepreneurial strategy.

In 1962 the firm changed from being a partnership to a limited company. In 1963, she set up the first rolling steel technology in Thailand to produce nails. The success of this venture led to other steel related ventures. By 1989 she had set up eleven different steel related firms. This is a typical pattern for Thai manufacturing entrepreneurs. They do not settle down and enjoy a single business, although this option is chosen by some, but rather they continue to open new businesses.

The difference for Mrs. ประภา is that she moved from manufacturing into other ventures in agriculture, finance, leasing, industrial real estate and computers. The movement into computers represents a shift back to her original manufacturing focus. A joint venture with Oki Computers, a Japanese firm, was the vehicle used to enter the computer industry. This is typical. Expertise in one area is used to exploit an opportunity by linking with a foreign company that has the technical expertise but lacks local market knowledge.

¹ (2538). "ตระกูลวิชัยประไพกิจ," *Boss Magazine (Special Issue) 50 ตระกูลนักธุรกิจ*, pp. 118-121.