

Executive Summary

The project for Secondary Database Development of Small and Medium Enterprises (SMEs) in the Recycle Industry

The recycle industry of Thailand has been expanding on a continuous basis. According to a report by the Office of Small and Medium Enterprises Promotion, most industries that expand are considered small and medium enterprises. In 2006, the number of recycle firms increased by 83 firms from 507 in 2005 to 589 in the following year. This 16.17% increase in ratio is the result of many factors leading to the betterment of the industry. Major factors such as environmental problems, garbage issues, and the scarcity of natural resources have led the industry in the right direction. One may say that the recycle industry is directly related to the increasing environmental problems along with global warming. As a result, the government has implemented policies that encouraged businesses to alter their production process by purchasing old and unusable items and raw materials to go through a recycling process. By this, businesses will separate each type of materials and recycle them into new products. However, such changes in the production process were only implemented by those who transform from being a small-sized business to medium-sized business. This is because for a big business to completely change their production process, the cost of changing would be very high.

In early 2008, the rise in demand created an increase in both investment and consumer spending in the private sector. This granted stability and confidence for the investors in

this industry, which led to a reasonable industry expansion. This expansion gave Foreign Direct Investment in Thailand more confidence; most foreigners invest to use Thailand as a base for other important industries. By the end of the first quarter of 2008, investment in Thailand increased by 10% when compared with the first quarter of the previous year. The index price in the stock market also showed some increase in the financial and investment segments. By this, the future of these two segments look promising as there is expected improvements in Return on Investment and Interest Rates. Nonetheless, external factors such as financial institutions and politics pose challenges and could negatively affect the recycle industry. In addition, despite the recycle industry showing promises to generate more revenue, the operating profit is bound to decline. This could be the consequence of the rise in input costs. Moreover, the assets and debts of the industry as a whole are set to decrease.

The current overall view on the recycle industry shows that the dividends of the market share is at a high rate, but the growth rate remains low. One can see a decline in investment from entrepreneurs in this industry. Thus, in order to find absolute benefit and ways to develop effectiveness, to enhance the quality standard, and expand the industry, the recycle industry should implement new technology by applying the latest information technology and combine it with the executives' existing experiences. Furthermore, they should introduce the empowerment concept to the employees in order to change the ways of the working process. This would eliminate the old system that gives the top level executives absolute power and ability to employ favoritism. A more decentralized system would improve the quality of the industry as a whole.