

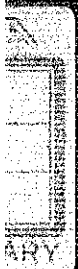
昭和62年度  
帰国研修員公開技術セミナー  
(中小企業開発分野)  
実施報告書

昭和63年3月

国際協力事業団  
研修事業部

研 究  
J R

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昭和62年度  
帰国研修員公開技術セミナー  
(中小企業開発分野)  
実施報告書

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昭和63年 3 月

国際協力事業団  
研 修 事 業 部

国際協力事業団

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## 序

## 文

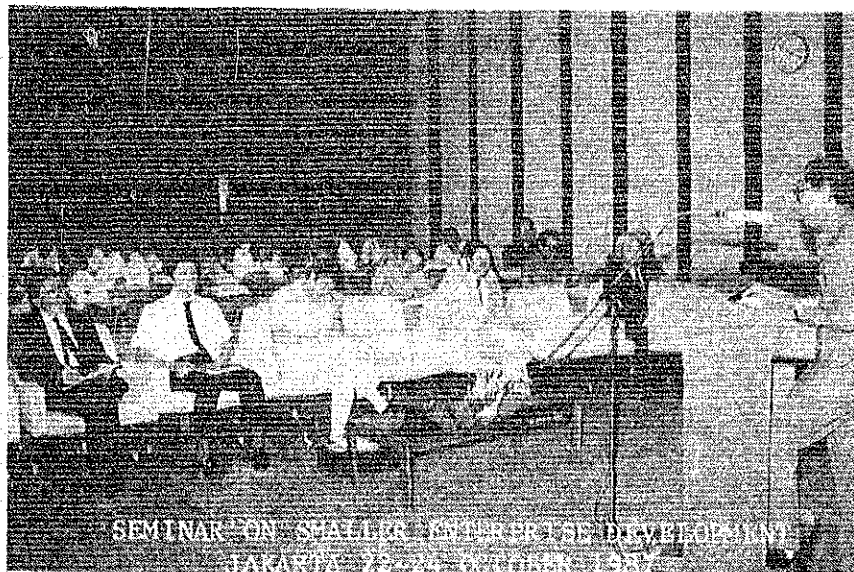
本報告書は、国際協力事業団が実施した中小工業開発分野にかかる4コース（工業開発計画実務、中小企業経営指導者養成、中小工業開発セミナー、インドネシア特設）に参加した帰国研修員に対するフォローアップ事業の一環として、当該分野に関する技術指導、研修効果の確認、評価並びに本研修コースに関するニーズの調査等を目的にインドネシア、タイ2カ国に派遣した当該コース巡回指導班の調査報告書としてとりまとめたものである。

本報告書においては当該分野における各国の実情、帰国研修員の活動状況及び研修コース内容に係る帰国研修員等からの要望事項をとりあげているところ、今後の研修実施にあたっての参考となれば幸いである。

本件の実施について、多大な御尽力を賜った関係各位に感謝の意を表する次第である。

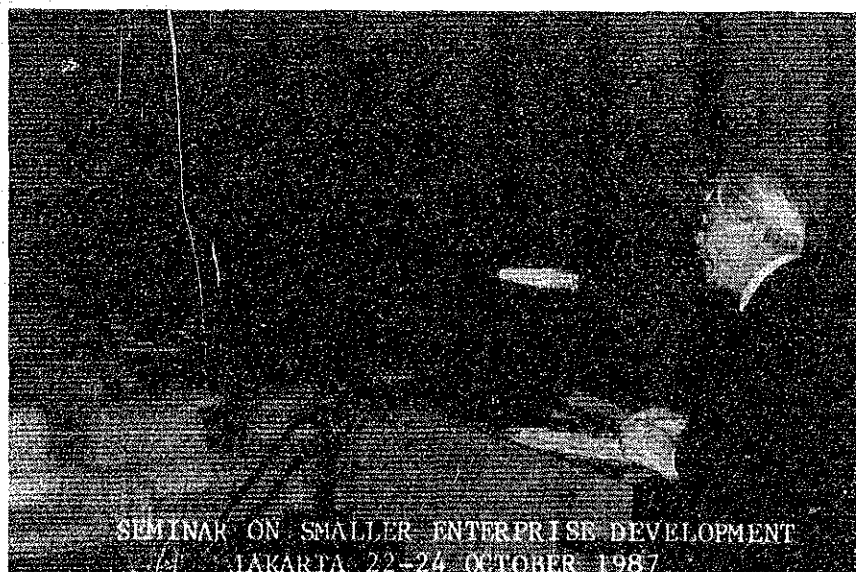
昭和63年3月

国際協力事業団  
研修事業部長  
岡 部 和 夫

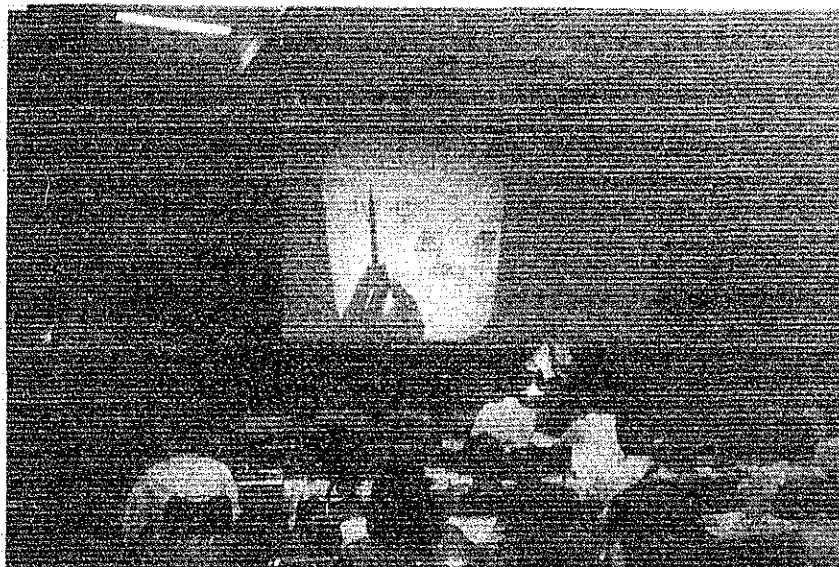


10月22日(木) インドネシアセミナー第1日目

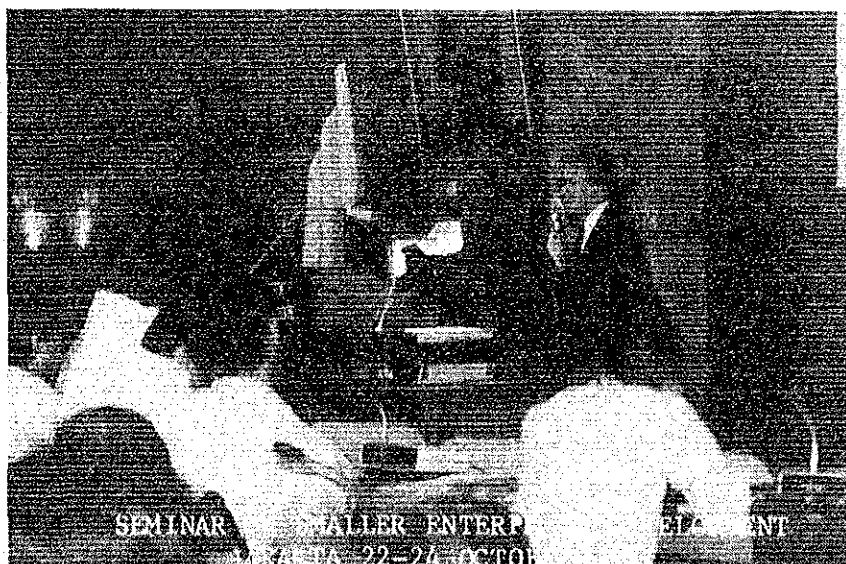
開会の辞 工業省中小企業総局 金属工業Director レンコン氏



10月22日(木) 岩城教授の講演

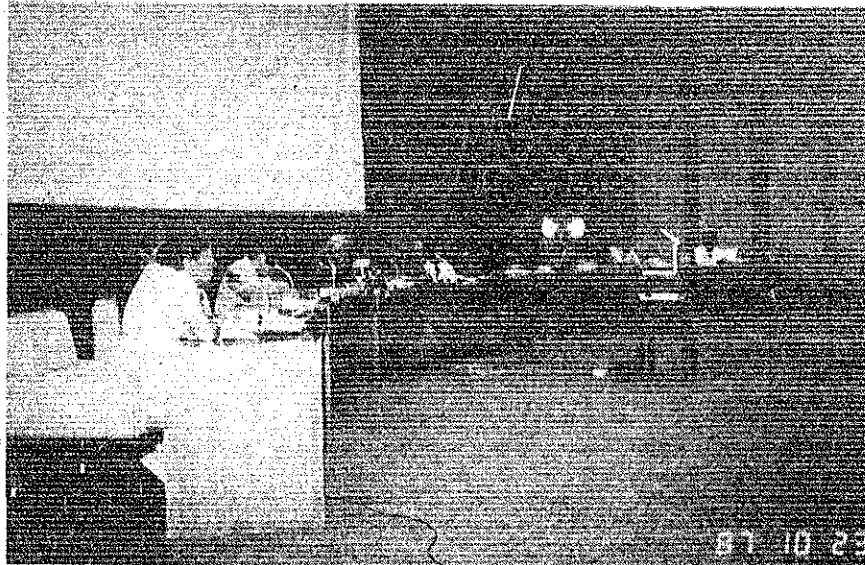


10月22日(木) 副田主任研究員の講演

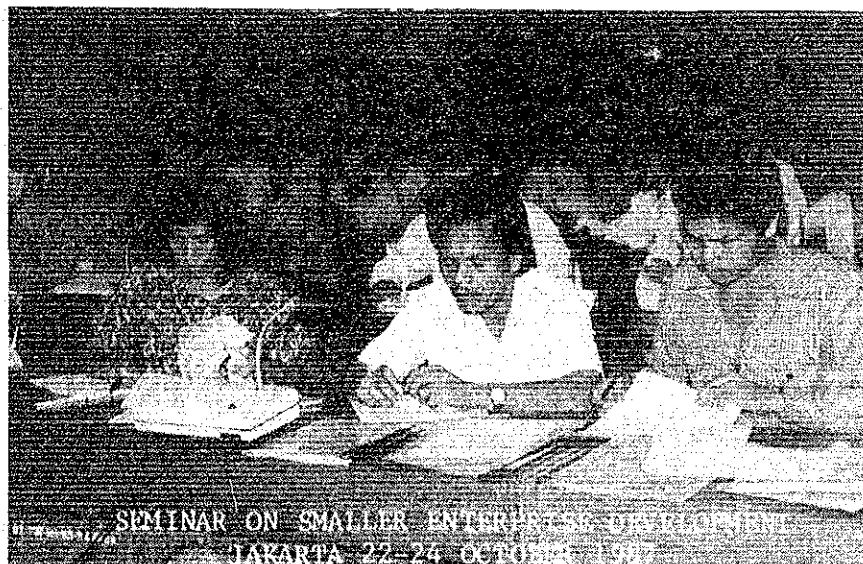


10月23日(金) 村田主任研究員の講演

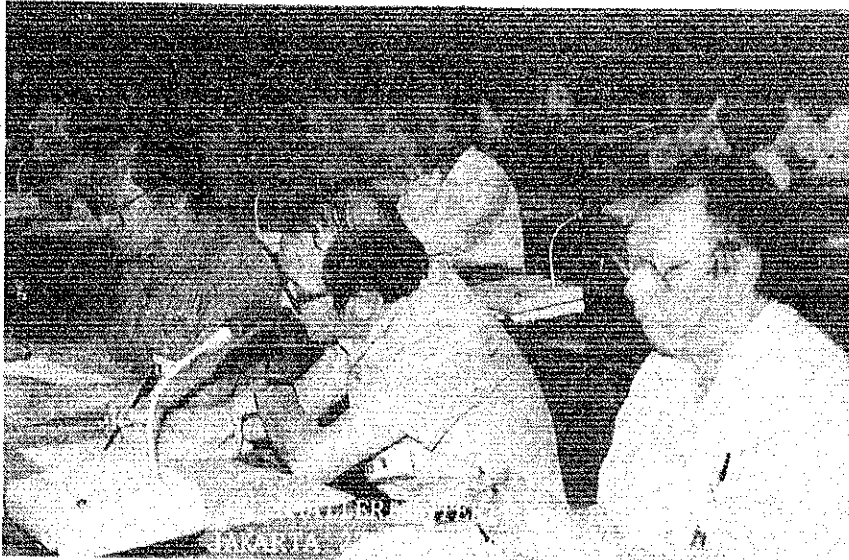




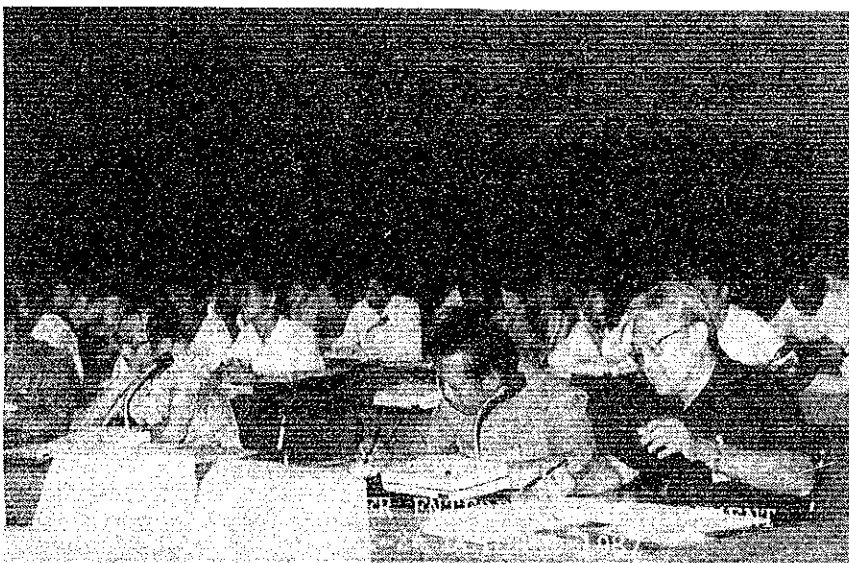
10月24日(土) パネルディスカッション 〈写真の日付は誤り〉



セミナーに参加する帰国研修員(インドネシア特設コース)

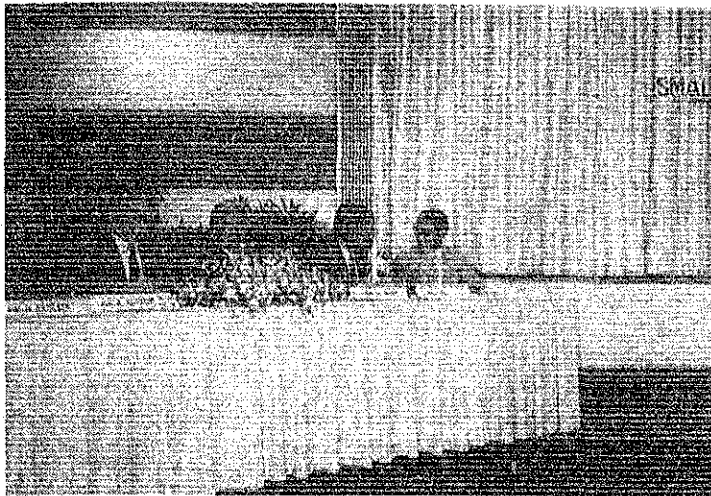


セミナー参加の工業省高官 左端ビンタルジュムール氏

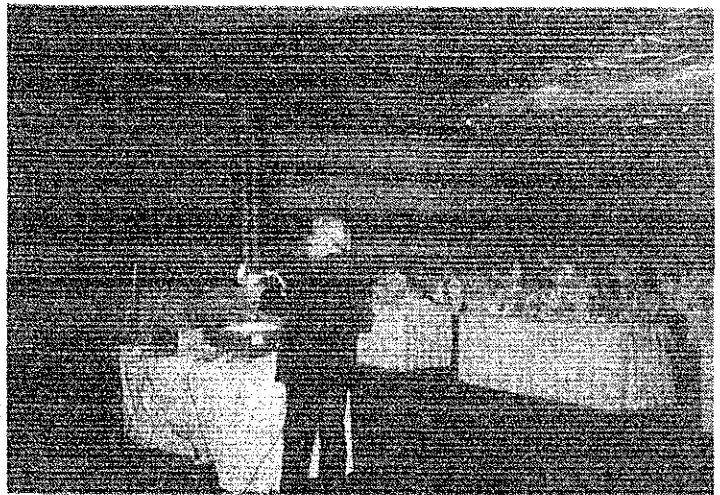


セミナー参加の工業省高官  
右端ジョフムリヤント氏，右から2人目マデテソ氏





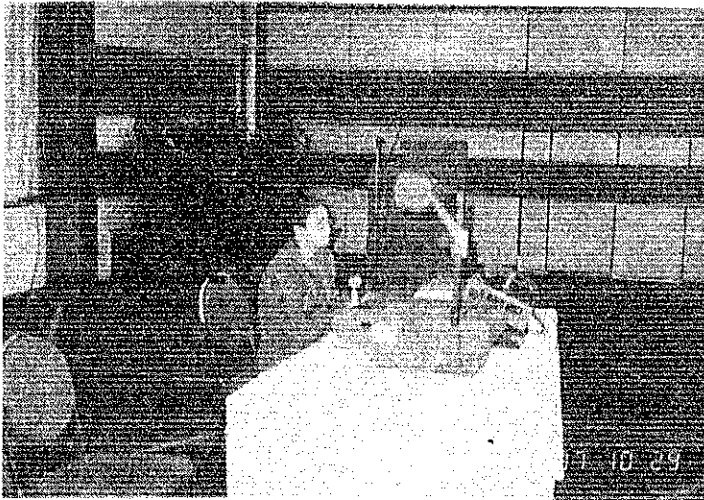
10月28日(水) セミナー開会 右端 DIP Deputy Director プンヤケット氏  
右から2人目 JICAバンコク所長 斉藤氏



10月28日(水) 岩城教授の講演



セミナーの聴衆



10月30日(金) 相互討論セッション 発表者  
タイ工業団地局チニクン氏



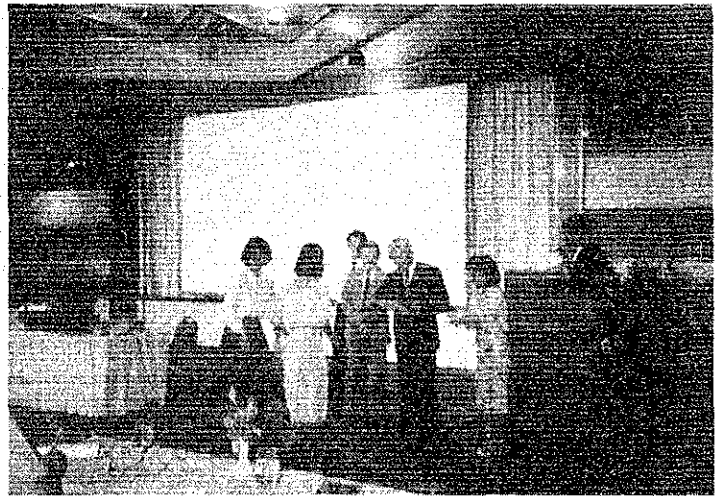
10月30日(金) 相互討論セッション 質問者  
ジラポール氏(投資委員会)



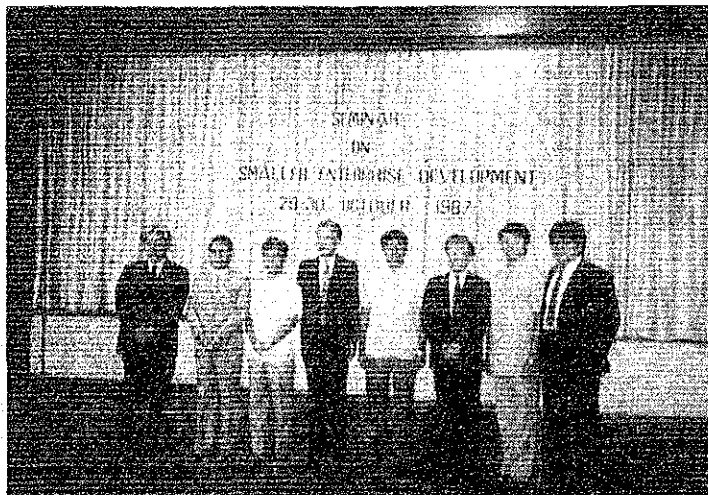
10月30日(金) 相互討論セッション 質問者  
タイベニヤ合板会社 キェティボン氏



セミナー聴衆



セミナー第3日終了時 修了証書授与



セミナー開催にかかる関係担当者一同

## 目 次

I 公開技術セミナー（中小企業開発分野）の概要 .....	1
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III 公開技術セミナーの実施概要 .....	7
IV 公開技術セミナーの成果および提言 .....	9

- 添付資料
1. SUMMARY REPORT BY THE EXPERTS'  
TEAM FROM JAPAN FOR THE SEMINAR  
ON SMALLER ENTERPRISE DEVELOPMENT
  2. インドネシア、タイ国セミナースケジュールおよび報告原稿
  3. 現地新聞の切り抜き記事

# I 公開技術セミナー (中小企業開発分野)の概要

1. 開催国 インドネシア、タイ
2. 期 間 昭和62年10月18日から昭和62年11月1日まで
3. 対象となる研修コース名(下記の研修コースの帰国研修員がセミナーの主たる参加者)  
「中小工業開発セミナー」、「工業開発実務集団研修コース」、「中小企業振興指導者訓練集団研修コース」、「インドネシア特設中小企業振興研修コース」

## 4. セミナー・チームの構成と業務分担

- 団長 愛知学院大学教授 岩 城 剛  
(セミナーの計画と実施における総括, セミナーにおける講演を担当)
- 団員 社団法人中部産業連盟 主任研究員 村 田 識 行  
(セミナーの計画と実施における団長の補佐, セミナーにおける講演を担当)
- 団員 社団法人中部産業連盟 主任研究員 副 田 武 夫  
(セミナーの計画と実施における団長の補佐, セミナーにおける講演を担当)
- 団員 国際協力事業団 名古屋国際研修センター 小 池 誠 一  
(セミナーの計画と実施業務全般の補完調整, 会計業務を担当)

## 5. セミナーの目的

従来行なわれて来た, 特定の集団研修コース帰国研修員を対象とした巡回指導とは異なり, 指導領域を特定のコース分野とさらにはこれに隣接する関連分野までひろげた『中小企業経営』全般とし, 本セミナーの参加対象者も帰国研修員のみにとどめず, 所属先の関係者や関連する機関の担当者まで含めて:

- (1) 帰国研修員に対しては研修で得た知識・体験を復習せしめるとともに, さらに新たな情報を提供する。同時に, 所属先の関係者や関連する機関の担当者にも同様の機会を提供する。
- (2) 当該分野に関する問題点について意見交換と相互経験の紹介を行ない, その解決のための助言を提示する。
- (3) あわせて, 当該分野の各研修コースプログラムの改善および今後の公開技術セミナー開催に向けての改善に関して, 必要となる提言を行なう。

## Ⅱ セミナーチームの業務日程

月 日	業 務 実 施 内 容
昭和62年 10月18日 (日)	発：成 田 11:00 GA873 着：ジャカルタ 16:15  JICAジャカルタ事務所 友部氏と打合わせ
10月19日 (月)	午前 ー 工業省中小企業総局訪問，セミナーの開催打合わせ Director General Secretary ビンタルジェムール氏 Director, Planning ジョコムリャント氏 Head, International Relation シアギン氏  午後 ー JICAジャカルタ事務所訪問，セミナーの開催打合わせ JICAジャカルタ事務所 松岡次長
10月20日 (火)	午前 ー JICAジャカルタ事務所訪問，セミナーの開催打合わせ JICA Expert で BKPM へ出向の田中秀和氏および工 業省中小企業総局の担当者 ー JICAジャカルタ事務所 遠藤所長  午後 ー P.T.NIPPONDENSO INDONESIA 訪問
10月21日 (水)	午前 ー PRIMKOPTI (食料品製造組合) 訪問，豆腐の製造工場見学 ー SENTRA INDUSTRI KECIL SEPATU (靴製造組合) 訪問， 靴の製造工場見学 午後 ー PEMEKIMAN INDUSTRI KECIL (中小企業団地) 訪問， 金属加工工場，ジーンズ縫製工場見学  ー CEVEST 訪問 夕方 ー 工業省中小企業総局，セミナーの開催打合わせ



月 日	業 務 実 施 内 容
10月22日 (木)	<p>セミナー第1日目(於 工業省中小企業総局)</p> <p>午前 ー 岩城教授の講演  “Small &amp; Medium Industries in Economic Development”</p> <p>午後 ー 副田主任研究員の講演  “Japan's Production Management: Just-In-Time Method”</p>
10月23日 (金)	<p>セミナー第2日目(於 工業省中小企業総局)</p> <p>午前 ー 村田主任研究員の講演  “T.Q.C. in Japanese Small Industries”</p> <p>午後 ー 帰国研修員ブルワディ・スギト氏講演</p>
10月24日 (土)	<p>セミナー第3日目(於 工業省中小企業総局)</p> <p>午前 ー パネル・ディスカッション  議 長 工業省中小企業総局 金属工業 Director レンコン氏</p> <p>パネリスト:  工業省中小企業総局 雑貨工業 Director マデテン氏  インドネシア大学経済社会研究所 タウン・アルン助教授  帰国研修員 工業省中小企業総局 規格局  ブルワディ・スギト氏  副議長(日本側) 愛知学院大学 岩城 剛 教授</p> <p>パネリスト:  PKPM 出向 JICA EXPERT 田中 秀和氏  CEVEST 出向 JICA EXPERT 佐々木 敬氏  社団法人中部産業連盟 主任研究員 村田 識行氏</p> <p>午後 ー ランチョン・パーティ</p>

月 日	業 務 実 施 内 容
10月25日 (日)	<p>午前 ー 英文報告書の作成, JICAジャカルタ事務所 午後 友部氏へ手渡し</p> <p>発: ジャカルタ 17:20 TO414 着: バンコック 16:15</p> <p>JICAバンコック事務所 原氏と打合わせ</p>
10月26日 (月)	<p>午前 ー JICAバンコック事務所訪問, セミナー開催打合わせ</p> <p>JICAバンコック事務所 齊藤所長 原 氏 工業省産業振興局(DIP)JICA EXPERT 黒田氏</p> <p>午後 ー サイアム・インターコンチネンタル・ホテル訪問, セミナーの開催打合わせ</p>
10月27日 (火)	<p>午前 ー 総理大臣府DTEC(技術経済局)訪問, セミナーの開催打合わせ</p> <p>Director タワル氏 Chief クリスダ氏</p> <p>ー 工業省産業振興局(DIP)訪問, セミナーの開催打合わせ Director, Planning Div. パデットパイ氏</p> <p>ー 工業省産業振興局(DIP)内 TMDPC(タイ生産性本部) 訪問 セミナーの開催打ち合わせ</p> <p>TMDPC 帰国研修員 ウボン氏 TMDPC 帰国研修員 サイスワット氏 TMDPC タダン氏 TMDPC ビサマイ氏 TMDPC ソンポーソ氏 TMDPC マライ氏 TMDPC, Director General タムヌー氏 他</p> <p>午後 ー WICHIEEN AUTOPARTS Limited Part. 訪問</p>

月 日	業 務 実 施 内 容																				
10月28日 (水)	<p>セミナー第1日目 (於 サイアム・インターコンチネンタル)</p> <p>午前 ー 岩城教授の講演  “Small &amp; Medium Industries in Economic Development”</p> <p>午後 ー 副田主任研究員の講演  “Japan's Production Management: Just-In-Time Method”</p>																				
10月29日 (木)	<p>セミナー第2日目 (於 サイアム・インターコンチネンタル)</p> <p>午前 ー 村田主任研究員の講演  “T.Q.C. in Japanese Small Industries”</p> <p>午後 ー 工業省産業振興局 (DIP) JICA EXPERT 黒田氏の講演  “Small Industry Promotion in Thailand”</p> <p>ー 岩城教授の講演  “Rural Industrialization”</p>																				
10月30日 (金)	<p>セミナー第3日目 (於 サイアム・インターコンチネンタル)</p> <p>午前 ー 相互検討セッション</p> <p>質 問 者:</p> <table border="0"> <tr> <td>SIFO (中小企業金融局)</td><td>ブンチャイ氏</td></tr> <tr> <td>IFCT (タイ工業融資公庫)</td><td>キティボン氏</td></tr> <tr> <td>BOI (総理大臣府投資委員会)</td><td>ジラボル氏</td></tr> <tr> <td>タイ工業団地局</td><td>チニクン氏</td></tr> <tr> <td>DIP 産業開発センター</td><td>スマリ氏</td></tr> <tr> <td>DIP タイ生産性本部</td><td>スティンボン氏</td></tr> <tr> <td>ARD (総理大臣府僻地開発局)</td><td>ジャカリン氏</td></tr> <tr> <td>DIP コンケン県産業開発振興センター</td><td>スーウィット氏</td></tr> <tr> <td>サイアム・シティ・セメント社</td><td>ユッタナー氏</td></tr> <tr> <td>タイ・ベニア合板会社</td><td>キティボン氏</td></tr> </table>	SIFO (中小企業金融局)	ブンチャイ氏	IFCT (タイ工業融資公庫)	キティボン氏	BOI (総理大臣府投資委員会)	ジラボル氏	タイ工業団地局	チニクン氏	DIP 産業開発センター	スマリ氏	DIP タイ生産性本部	スティンボン氏	ARD (総理大臣府僻地開発局)	ジャカリン氏	DIP コンケン県産業開発振興センター	スーウィット氏	サイアム・シティ・セメント社	ユッタナー氏	タイ・ベニア合板会社	キティボン氏
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タイ・ベニア合板会社	キティボン氏																				

月 日	業 務 実 施 内 容
	<p>午後    — ランチョン・パーティ</p> <p>夕方    — DIP Deputy Director ウエラワット・ブノヤケット氏</p>
10月31日 (土)	<p>午前    — 英文報告書の作成,</p> <p>午後</p>
11月 1日 (日)	<p>午前    — 英文報告書, JICAバンコック事務所 原氏へ手渡し。</p> <p>発: バンコック    9:05   JAL702</p> <p>着: 香        港   12:40</p> <p>発: 香        港   14:10   JAL702</p> <p>着: 大        阪   18:10</p>

### Ⅲ 公開セミナーの実施概要

#### － 3 人の発表の内容（インドネシア・タイ共通）－

##### 1. 経済開発における中小企業の役割（岩城）

この発表では、経済発展において中小企業がいかなる役割を果しうるかについて触れた。  
特に日本の下請制度について述べ、その制度の途上国への適用可能性について考察する。

インドネシア及びタイにおいても家電品や自動車関係等のアッセンブリータイプの産業が、  
特に外国企業の影響を受けて出現しつつある。

このことはこれらの国々においても日本のような下請システムの導入可能性があることを説明した。

これに対して両国受講者からの質問として

- 1) 日本とは異なる社会制度・風習の中でいかにして下請制度を機能させうるか。
- 2) 誰がどのようにしてこの制度を始めるのか。

の2点が主なものとして挙げられた。

これに対する回答として

- 1) 下請育成を阻む要因を除く政策の設定
- 2) 具体的に発注希望企業と受注希望企業の仲介をする情報センターの設立
- 3) 公的技能訓練機関の充実

等を提案した。

##### 2. ジャスト・イン・タイム生産方式（副田）

日本企業が最近インドネシア、タイへの進出を行なっているが、これらの多くは組立て型の工業であり、必然的に短期間の納品に対応できる現地企業の育成が要請される。

この面で日本のジャスト・イン・タイム方式を紹介したことは、現地企業・政府関係者に大きなヒントを与えた。

発表内容

- 1) ジャスト・イン・タイム生産（JIT）の定義
- 2) 在庫圧縮メリットの説明
- 3) 自動車生産過程の一般的流れ説明
- 4) JITのフレームワーク
- 5) JITの基本的考え方

- 6) 生産計画における意思決定ロジックの日本・西洋比較
- 7) カンパンの機能と運用の仕方

#### 質問と回答

- 1) 下請企業が未発達の国においてJITは有効か。  
現在の現地への外国企業（特に日本の）の進出ぶりから見て下請企業の増加は必然である。  
JITは広範な考え方・手法から成っており、その一部は個々の企業単位で実施しても効果のあるものがある。  
例えば、仕掛在庫の圧縮、段取り時間の短縮等である。
- 2) 原材料供給が不安定な国においてJITは適用できるか。  
材料供給が難しいのは発注側にも問題がある。急に大量の発注をするのではなく定期的に平準化された発注をすべきである。

### 3. 中小企業におけるTQC（村田）

#### 発表内容

- 1) TQC活動は工場内作業者のみの活動でなく全社的なものである。
- 2) 品質は最終検査で保証するのではなく、品質管理工程で確保されるべきものである。
- 3) 中小企業のTQC導入に関しては、親大企業からの指導・影響が大切である。
- 4) TQC成功にはトップの参画が絶対条件である。

#### 代表的な質問

- a. QCCとTQCの違いおよびTQCの目標について。
- b. 日本ではデミング賞を受賞した企業では全部TQCを行っているか。
- c. いかにしてトップにTQCの重要性を説得できるか。
- d. 政府機関にいかにしてTQCを導入できるか。
- e. どうして日本はTQC導入に成功できたか。

#### 回答要約

- TQCの技術移転は主に大企業の合併企業から始まり徐々に中小企業へ浸透してゆくものと考えられる。
- TQC導入には個々の中小企業のレベルアップが必要だが、そのために組合制度を導入することは非常に有効であると思われる。  
そうすることで政府の資金がより有効に使われ、大企業からの受注も容易になると考えられる。



## Ⅳ 公開技術セミナーの成果および提言

### 【1】 成 果

両国における現地 J I O A 関係者および現地政府からは予期した以上の高い評価を得ることが出来た。その特徴と成果は次に示す通りである。

#### 1. テーマ設定と講演参加者数について

今回行なったインドネシアおよびタイにおける公開技術セミナーでは、『中小企業開発』を主要なテーマとして講演を準備し、岩城教授・村田・副田 3 名と現地専門家による講演内容と講演参加者の反応は前節英文報告書の内容に詳述した通りである。特に本セミナーでは両国とも現地政府高官が討議に参加したので、講演内容を実質的に高めることが出来た。

このテーマ設定はインドネシアおよびタイ両国ともまさにタイムリーな関心を呼び、インドネシアでは工業省中小企業総局の帰国研修員に加えて多数の関連分野担当者と、さらには商業省の担当者までを含めた参加を得て、総計 105 名の聴衆を集めることになった。中小企業に対する関心の高まりはタイについても同様で、官庁および民間の参加者は総計 56 名となった。

帰国研修員にとっては、日本で研修した内容に再び触れ、加えて最新の知識の補完を行なったと言える。帰国研修員ではないセミナー参加者も、日本の最近の中小企業の動向に大きな関心を示して、自国政府内の他部署との交流を深める結果となった。

#### 2. セミナー開始に先立って現地の中小企業を訪問し、岩城教授・村田・副田の 3 名の講演内容に現地の中小企業の事例をとりまぜて話をすすめたことについて

インドネシアの場合では工業省中小企業総局の手配により、豆腐工場・食品組合・靴製造組合・中小企業団地を訪問出来たため、これに基づき岩城教授は農村工業と近代的下請工業を論じ、副田は中小企業団地内のジーンズ縫製工場を例にしたジャスト・イン・タイムの考え方を展開し、村田は親企業と下請企業の関わりのうち特に品質面における技術指導と教育訓練の側面を述べた。

タイの場合でもバンコク市郊外のニッサン系サイアム・モーター社の下請け企業を訪問し、これに基づいた話をおりまぜた講演をすすめることが出来た。

3. セミナー日程に現地駐在日本人専門家のパネリストとしての参加および講演をおり込めたことについて

インドネシア・セミナーでは第3日目をパネル・ディスカッションにあてて、JICA派遣専門家の田中氏（BKPM駐在）および佐々木氏（CEVEST駐在）のご協力を得て合同ディスカッションをすすめることができた。

タイ・セミナーでも、第2日目に工業省産業振興局駐在のJICA派遣専門家黒田氏に依頼して、特に現在取り組んでいる地方工業の組合設立構想と組合に対する融資制度の確立についての講演を加えることができた。

両国の場合、上述したJICAエキスパートは現地中小企業振興施策の政策策定に当たっており、本セミナーを利用することで中小企業振興に関連する他部門へのPRになり、現地政府各部署の担当者にとっても、現地駐在日本人専門家にとっても有意義であったと言えよう。

## 【2】 提 言

今後も同趣旨の公開セミナーが開催されるに当たっては、上田1～3に述べた方式がセミナーの具体化計画に参考になれば、幸いである。

今回のセミナーは従来の帰国研修員を対象にしたフォローアップと同時に公開セミナーを行なうという2つの性格をもっている。この2つは性格的に互いに異なるもので、特に公開セミナーについては中小企業経営という領域に関して、日本の経験が大きな意味をもち、且つ現地のこの分野でのニーズを的確に把握する必要がある。

従って、この観点から、次のようなセミナーの方法論が考えられる。

### (1) セミナーの構成について（案）

- a. セミナーのテーマが今回のような中小企業開発問題の場合、セミナーの日程に現地の中小企業／大企業訪問を織り込む。
- b. 訪問した企業の経営者と行政の上級担当官をパネリストにした討論を行ない、問題を提起して、中小企業問題の実体を明らかにする。
- c. 日本側の専門家が a. と b. について日本の事例に触れながら、解決策の方向づけ／示唆を提示する。

(2) 中小企業開発に関する J I C A の訓練コースの要望について

今回のセミナーの成功を踏まえて、参加者からは次のような意見やコースへの要望が出てきた。また、今後の J I C A の訓練コース展開については次の 2 点に関して、セミナー・訓練コースの強化が求められた。

- a. マーケティング問題(特に輸出マーケティングと言う表現ではあったが、関心の主体は貨物輸送・船積み・港湾施設・民間／組合／官庁の関連事務手続きなど輸出に絡むハードとソフトのインフラ問題)
- b. 流通問題(物的流通・配送など)

現地で集団研修コース(第 3 国研修)を実施する。

## 1. INTRODUCTION

Having been dispatched by the Japan International Cooperation Agency as part of its technical cooperation program of Japan, the team consisting of four members, headed by Prof. Goh Iwaki (as listed below), arrived Bangkok on October 25, 1987. The team is leaving Bangkok on November 1, 1987, after having completed the three day sessions of the Seminar on Smaller Enterprise Development.

It is the pleasure of this team that we are submitting this summary report, putting our comments and discussions and observations, further the reactions of the Seminar on record as follows, for the purpose of references to be made by the authorities concerned on the part of the Government of Thailand, as well as by the concerned authorities of the Japanese Government.

### MEMBERS OF THE TEAM:

- |                        |  |
|------------------------|--|
| (1) Leader of the TEAM | Goh IWAKI<br>Professor, Aichi Gakuin University,<br>Nagoya, Japan  |
| (2) Member             | Noriyuki MURATA<br>Senior Management Consultant,<br>Chu-San-Ren (Central Japan Industries<br>Association), Nagoya, Japan |
| (3) Member             | Takeo SORDA<br>Senior Management Consultant,<br>Chu-San-Ren (Central Japan Industries<br>Association), Nagoya, Japan     |
| (4) Member             | Seiichi KOIKE<br>Training Officer,<br>Nagoya International Training Center,<br>Japan International Cooperation Agency    |

### OBJECTIVE OF HAVING HELD THE SEMINAR:

JICA has been co-operating with developing countries in the area of pertinence to the development of human resources. It has continued the programs, specifically for the promotion of small enterprises, through its individual/group training courses:

for (1) Business Feasibility Study & Management Practice

(2) Consultancy Service for the promotion of Small Enterprises  
and through the seminar on:

(3) Smaller Enterprise Development,  
further, training course on (4) Small Industry Promotion for the Republic  
of Indonesia.

This SEMINAR was held in Bangkok by JICA from October 28(Wed.) through  
30(Fri) , 1987, intended:

- i) to give an opportunity for replenishing the relevant knowledge currently  
updated, to the ex-participants of the afore-mentioned 3 training  
courses/seminar(excluding Indonesian Course),  
also to other professionals who are involved in the promotion and  
development of small industries;
- ii) and to exchange opinions, experiences about the major points at issue  
for the improvement of the section in question; further to discuss counter-  
measures possible in overcoming them.

## II. ITINERARY BEFORE THE SEMINAR IN BANGKOK

October 25th (Sun) Arrived Bangkok from Jakarta

26th (Mon) Visited Bangkok Office, JICA

Discussion for the Seminar Preparation with:

Mr. Ben Saito, Resident Representative, Thailand Office, JICA

Ms. Chisa Hara, Thailand Office, JICA

Mr. Akira Kuroda, JICA Expert, DIP

27th (Tue) Visited Department of Technical and Economic Cooperation,

Office of the Prime Minister

Discussion with Mr. Thawal Polpvech, Director

Mr. Krisda Piamponsant, chief

Visited Department of Industrial Promotion,

Ministry of Industry

Discussion with Mr. Padetpai Meekuniam, Director,

Planning Division

Visited Thailand Management Development And Productivity

Center

Discussion with ex-participants

(Ms. Ubol, Ms. Saisuwat, Ms. Tadashi, Ms. Pisamai,

Mr. Somporn, Mr. Thomnu, et al.)

Visited WICHEN AUTOPARTS LTD., PART.

Discussion on subcontracting situation with Ms. Waree

Pongthong, Executive Secretary



### III. SEMINAR (October 28 through 30, 1987)

#### PRESENTATION 1. (Prof. Iwaki) together with questions:

##### Small and Medium Industries in Economic Development,

The subject matter of my presentation is the role of small and medium industries in economic development of Japan and its applicability to developing countries. Particularly, I put emphasis on the subcontracting system in Japan which is very relevant to Asian NICS.

In the process of the presentation, I explained the system and supporting organizations of subcontracting linkage, stressing on the policy framework to encourage subcontracting system from the large firms and government level.

The Thailand economy is also approaching to the stage of NICS. this means that, in terms of industrial structure the assembly type industries such as automobile, electrical appliances and machines, will become a core in industrial structure, and need more parts and components from local industries. This leads to the possibility of subcontracting system or ancillarization.

Therefore, the comments and questions from Thailand side also concentrate on the applicability of subcontracting system to Thailand which has different community structure from Japan. And where the initial impact comes from is another major question. My answer is to enforce the institutional frames to remove many constraints in Thailand. In this sense, more information centres and technical centres will be needed to foster subcontracting system in Thailand.

As mentioned above, the major discussion concentrated on how to apply the subcontracting system in Thailand even though admitting its importance and relevance to the economy.

## PRESENTATION 2 (Mr. Soeda)

### JAPAN'S PRODUCTION MANAGEMENT: JUST-IN-TIME METHOD

#### PRESENTATION

The following contents have been presented on Just-In-Time production concept in order to invoke the discussion regarding the adaptability of the system to Thailand.

1. Definition of Just-In-Time System
2. Short examples describing the benefits of keeping inventory low
3. Slide showing titled "Loading and Scheduling"
4. Overview of information and physical flow regarding automobile manufacturing
5. Framework of Just-In-Time Production System
6. Philosophies of Just-In-Time System
7. How to make production decisions: Comparison of Western method and JIT method
8. How Kanbans are used
9. Production smoothing

#### QUESTIONS

1. Is Just-In-Time System adoptable to Thailand where there exist very few subcontractors yet ?

The current wave of foreign investments particularly from Japan is sure to generate the need to develop subcontractors in a matter of few years. However, the JIT concept can be applied within your own company first. For example, the reduction of Work-In-Process or Finished Goods Inventory, reduction of setup time.

2. How can we apply JIT method to countries where material supply is unreliable in delivery time and also material speculation is the fact of life ?

First, it is the prerequisite that you make a reasonable purchase plan so that suppliers can meet your request in a normal situation. Particularly important is the smoothing of purchase plan. Another important idea is to make a contract purchase. Your company should make a contract with your supplier regarding annual purchase amount then arrange so that deliveries are made on a split basis at regular interval.

### PRESENTATION 3 (Mr. Murata)

#### T. Q. C. in SMALL INDUSTRIES

##### Presentation:

1. T. Q. C. is the activities of the workers, not confined only in factory workfloor operations!
2. We need to control the pre-quality operations, before the stage of finalizing the product quality.
3. Multiplier effects from big companies are eventually most significant in the introduction of TQC to small industries.
4. Necessity of Top Management to be involved in TQC is imperative!

##### Questions/Discussions:

- a. TQC and Company-wide QC means the same? QCC and TQC the same meaning? What is the major goal of TQC?
- b. In Japan, the Deming Prize winner companies perform TQC?
- c. It was discussed that the recognition of Top management for TQC is essential. How we can approach the top management to persuade the significance of TQC?
- d. How we can introduce TQC in the Government office?
- e. Why TQC and/or JIS is successful in Japan, while other countries are struggling to introduce them?

##### Responding Discussion:

In big companies, especially in joint ventures with Japan, TQC is well-implemented. Currently, being pushed by the Yen appreciation, they find it more and more difficult to continue some of their processing in Japan. In other words, they are finding potential small industries that are capable enough to accept orders of subcontracting, in Thailand; in fact there are a lot of successful cases already.

On the part of those big companies, the basic requirements of quality, delivery, quantity and cost factors are not only the concern within the company, but in the subcontractors; other-

wise, the whole operation of the big company would stop so frequently for necessary trouble shooting and problem solution. In other words, their efforts of introducing Quality control in place of subcontracting small industries are of biggest importance.

Technology transfer is thus being impelled by big joint venture companies, to flow downwards by gravity to the place of small industries.

It is along this context that the extension services should work, first to upgrade the lowly informed entrepreneurs of small businesses. The necessity is there on the side of big enterprises. For them, the question is whether they can find able and capable small companies successfully enough. Or they would go into manufacturing operations of necessary parts on their own.

It is a good idea to introduce TQC in government office operations. In fact, in quite a number of municipal governments in Japan, they are trying to meet the needs of the citizens as quickly as possible. The attention necessary at this moment, however, is not the TQC to be employed in the Thai government offices, but for the Thai government offices concerned about small industries promotion to arrange the software infrastructure for pushing the subcontracting operations of small businesses, for upgrading the level of entrepreneur so as to take advantage of big companies' subcontract orders, thus to trigger the movement of TQC being pushed into the workplace of small companies. For this purpose, it is quite beneficial on the part of small businesses to group a number of companies into cooperative, to which, naturally, the government fund shall be channelled (far better, and more efficient than to channel the government funds to each individual small companies).

In conclusion, the Government offices should promote the subcontracting operations of small industries, and the formation of their cooperatives; thus the implementation of Q.C. in its totality can be achieved.

PRESENTATION 4 (Mr. Kuroda)

SMALL INDUSTRY PROMOTION in THAILAND

1. Rural industrialization is necessary in Thailand for development of small industries.
2. For this purpose, most important factor on the part of Thai Government is the Government's institutional financing. But the system operation is too slow. It is necessary to bring up the speed of financing services to small industries.
3. For extension of financing services to small businesses, most effective method is the organization of cooperatives, by grouping the rural small industries. There should be a proper planning and the active implementation so as to group the rural industrial clusters into cooperatives, to which the government financing operations should be concentrated.
4. other discussions are detailed in the "THE DEVELOPMENT STRATEGIES for THE SMALL & MEDIUM SCALE INDUSTRIES IN THAILAND", co-authored by A. KURODA and S. KASAJIMA, Small/Medium Industry Promotion and Finance Project(SIPF), Department of Industrial Promotion, Ministry of Industry, Thailand
5. The survey and plan formulation are now on their way for organizing a small industry cooperative in the rural industrial cluster of Lanpang. When this venture comes into operation, it will be a model which other industrial clusters can follow, even being a model to which the rural industrial clusters of other developing country can conform to!



## MUTUAL DISCUSSION FOR EXCHANGE OF VIEWS

The first part of the Mutual Discussion was meant for inviting the commentaries from the participating audience: the commentaries were brought forward from: SIFO, IFCT, BOI, IEAT, IDC, TMDPC, ARD, DIP in Konken, and private companies (Siam City Cement and Thai Veneer and Plywood Ltd.)

Speakers: Mr. Boonchai, Small Industries Finance Office  
Mr. Kitipun, Industrial Finance Corporation of Thailand  
Mr. Jirapol, Board of Investment  
Miss Lt. Col. Chinikul, Industrial Estate Authority of Thailand  
Mrs. Sumari, Industrial Development Center, Department of Industrial Promotion  
Mr. Sitipong, Thailand Management Development & Productivity Center, Dep. of Ind. Prom.  
Mr. Jakarin, Accelerated Rural Development office  
Mr. Suvit, Northeastern Industrial Promotion Center, Konken, Department of Indust. Promotion  
Mr. Yuthana, Siam City Cement Co., Ltd.  
Mr. Kietipong, Thai Veneer and Plywood Ltd.

### Commentaries summarized:

- a. Rural farmers and small industries in rural areas are badly in need of finance. The problem is their entrepreneurship development and the improvement of slow financing procedures. Dependent upon the nature of operations, many of them have quite a potential of exporting their products, provided the financial help is extended enough to them.
- b. Many companies, medium and small, are not equipped enough for introducing T.Q.C. further JIT, into their workplaces. It will take a very long time, until they start to move for their serious attitudes for introduction.

- c. Industrial Estates are good for small industries to join for their expansion of operations, because of good infra-structures prepared by the Government. But small industries are either ignorant about the existence of the estates, or difficult in obtaining enough money for purchasing the land in the estate.
- d. Entrepreneurship development programs have been under way by DIP from 1981 until now in 14 courses in rural areas, with the help of TechnoAsia and Unido. The approach of TQC is in one way or another incorporated in the training of entrepreneurship.
- e. All the topics discussed in the Seminar are still far away to become fully implemented in Thai Industries. Yet, the government offices represented in this Seminar carry enough functions to perform : what are lacking is the network creation and the coordination. Even the informal network and information exchanges would be beneficial for approaching our goals. (applause!)
- f. Farmers and small businesses are formally/informally organized into cooperatives, operating in rural areas. They perform quite successfully to avoid the exploiting influences of the middlemen.
- g. Problems of cottage industries:
  - 1. no grouping; mostly individual
  - 2. lack of finance
  - 3. lack of sufficient management knowledge
  - 4. lack of production technologies
  - 5. lack of production planning skills

caused by weak government system networks, in terms of number of extension officers, size of budgets and capabilities of extension officers,

also on the part of small entrepreneurs' distrust on government officers capabilities.

Principles, policies of government operations are OK, but not functioning all right!

Concerning the financial problems, credit guarantee system should be strengthened; tax exemption rules should be expanded to small industries for their motivation.

#### IV. SUMMARY/RECOMMENDATION

1. About Policies for Smaller Enterprise Development in Thailand  
Here are some recommendations we believe pertinent to the development of smaller industries in Thailand.

- (1) The establishment of Basic Law For Small and Medium Enterprise is the urgent necessity so that Thailand has the legal setup similar to that of NICS.
- (2) The development of cluster type rural industry is strongly recommended in order to narrow the gap between Bangkok and rural area and also in order to promote agro-based industry.
- (3) In urban area, the development of subcontracting system is keenly desired in order to join NICS.

2. About the Promotion of Subcontracting System

- (1) Some intermediary organization is necessary to facilitate the subcontracting relationship among big and small industries.
- (2) Technical centers specialized for enhancing the technical level of subcontractors are strongly desired.
- (3) The development of industrial estate in the vicinity of Bangkok for subcontractors is very desired. In this estate common facility such as Metal center can be included. However, the cost for the infrastructure should not be so different from Bangkok. (i.e. the electricity, gas, etc)

3. Promotion of Industry in Agricultural Area

- (1) The organizing of cooperatives to seek group benefits is necessary. The function of cooperatives cited by Mr. Kuroda becomes important.
- (2) The strengthening of bargaining power of smaller industries against middlemen should be realized by cooperatives.
- (3) Those industries in agricultural area may target the export market as Japan did.

#### 4. Observation of Japanese corporations in Thailand

- (1) Many Japanese corporations came into Thailand in a torrential manner without sufficient survey. They face such troubles as electricity stop or lack of information.
- (2) As for textile companies, some of them are facing pressure to leave the country as soon as they began to show profits after years of incurring deficits.
- (3) Some companies such as MINEVEA Inc. (ball bearing manufacturer) are performing very well taking all the advantages and incentives that export products can enjoy. (100% exported)
- (4) Main reason for the concentration of companies in Bangkok is the lower cost of using the various infrastructure such as electricity or gasoline due to the Government subsidy.

#### 5. About the Method of Conducting Seminar

- (1) More involvement of senior officers are desired because such a on-site seminar focused on a specific country is very useful in view of technology transfer.
- (2) It is also proposed that the observation tour of the local industries be packaged in the session so that the discussion can be conducted on the small industries visited by the team. This time, we could visit a local firm through the personal connection which helped the presentation to be more relevant to the country.
- (3) The participation of the big company (for reason of being a parent company), and the small company (being a possible subcontractor) entrepreneurs would be more helpful in deepening the discussion on formulating the possible countermeasures.

We extend the special thanks to the Government of Thailand and JICA Thailand Office, for all the coordination tasks, having supported the operations of our Team, prior to the arrival, during the sessions of the SEMINAR, mentally and physically.

November 1, 1987

Goh IWAKI  
Leader of the TEAM

## 5. Programme

## October 22 (Thursday)

- 09:00 Registration
- 09:00-10:20 Opening
- 10:20-10:30 Coffee break
- 10:30-12:30 Japan's small scale industry development  
-Rural industry development &  
sub-contracted system  
by Mr. Iwaki
- 12:30-13:00 A question time
- 13:00-14:00 Lunch
- 14:00-16:15 Japan's production management  
-Just In Time System  
by Mr. Soeda
- 16:15-16:30 Coffee break
- 16:30-17:00 A question time

## October 23 (Friday)

- 09:00-11:00 T.Q.C. in Japanese small industries  
by Mr. Murata
- 11:00-11:30 A question time
- 11:30-14:00 Break (lunch, others)
- 14:00-16:00 Presentation of Ex-participant  
by Mr. Purwadi Sugito
- 16:00-16:30 A question time for all lectures

## October 24 (Saturday)

- 09:00-11:30 A panel discussion
- 11:30-11:45 Coffee break
- 11:45-13:00 A question time
- 13:00-13:30 Closing
- 13:30-15:00 Luncheon party

## 6. Seminar fee

Free

タ イ

PROGRAMME

October 28 (Wednesday)

09:00 - 09:30	Inscription
09:30 - 10:00	Inauguration
10:00 - 10:15	Coffee brake
10:15 - 11:30	Small industries in economic development ( by Prof. Iwaki )
11:30 - 12:10	A question period
12:10 - 13:30	Lunch
13:30 - 14:45	Japan's production management - Just - In - Time System (1) (by Mr. Soeda)
14:45 - 15:00	Coffee brake
15:00 - 16:00	Japan's production management - Just - In - Time System (2) (by Mr. Soeda)
16:00 - 16:30	Aquestion period

October 29 (Thursday)

09:30 - 10:30	T.Q.C. in Japanese Small Industries (1) ( by Mr. Murata )
10:30 - 10:45	Coffee brake
10:45 - 11:30	T.Q.C. in Japanese Small Industries (2) ( by Mr. Murata )
11:30 - 12:00	Aquestion period
12:00 - 13:30	Lunch
13:30 - 14:30	Small Industry Promotion in Thailand ( by Mr. Kurada - JICA Expert )
14:30 - 14:45	Coffee brake
14:45 - 16:00	Rural Industialization ( by Prof. Iwaki , Mr. Kurada )
16:00 - 16:30	A question period

October 30 (Friday)

09:30 - 12:00	Mutual discussion for exchange of views
(10:30 - 10:45)	Coffee brake
12:00 - 12:30	Closing
12:30 - 14:00	Luncheon party

SUMMARY REPORT BY THE EXPERTS' TEAM FROM JAPAN  
FOR THE SEMINAR ON SMALLER ENTERPRISE DEVELOPMENT

I. INTRODUCTION

Having been dispatched by the Japan International Cooperation Agency as part of its technical cooperation program of Japan, the team consisting of four members, headed by Prof. Goh Iwaki (as listed below), arrived at Jakarta on October 18, 1987. The team is leaving Jakarta on October 25, 1987, after having completed the three day sessions of the Seminar on Smaller Enterprise Development.

It is the pleasure of this team that we are submitting this summary report, putting our comments and observations, further the reactions, of the Seminar on record as follows, for the purpose of references to be made by the authorities concerned on the part of the Government of the Republic of Indonesia, as well as by the concerned authorities of the Japanese Government.

MEMBERS of the TEAM:

- |                        |   |
|------------------------|---|
| (1) Leader of the TEAM | Goh IWAKI<br>Professor, Aichi Gakuin University,<br>Nagoya, Japan   |
| (2) Member             | Noriyuki MURATA<br>Senior Management Consultant,<br>Chu-San-Ren (Central Japan Industries<br>Association), Nagoya, Japan  |
| (3) Member             | Takeo SOEDA<br>Senior Management Consultant,<br>Chu-San-Ren (Central Japan Ind.<br>Assoc.), Nagoya, Japan                 |
| (4) Member             | Sei'ichi KOIKE<br>Training Officer,<br>Nagoya International Training Center,<br>Japan International Cooperation<br>Agency |

OBJECTIVE of having held the SEMINAR:

JICA has been co-operating with developing countries in the area pertinent to the development of human resources. It has continued the programs, specifically for the promotion of small enterprise sector, through its individual/group training courses:

- for (1) Business Feasibility Study & Management Practice
- (2) Consultancy Service for the promotion of Small Industries,

and through its seminar on:

- (3) Smaller Enterprise Development,

further, training course on (4) Small Industry Promotion for the Republic of Indonesia.

In collaboration with the relevant authorities of the Indonesian Government, namely General Directorate of Small Industries, Ministry of Industry, this SEMINAR was held in Jakarta by JICA from October 22 (Thu.) through 24(Sat.), 1987, intended:

- i) to give an opportunity for replenishing the relevant knowledge currently updated, to the ex-participants of the afore-mentioned 4 training courses/seminar, also to other professionals who are involved in the promotion and development of small industries;
- ii) and to exchange opinions, experiences about the major points at issue for the improvement of the section in question; further to discuss countermeasures possible in overcoming them.

## II. ITINERARY (Jakarta) before the SEMINAR

- October 18 (Sun)      Arrival to Jakarta, from Tokyo  
Preparatory discussion with:  
Mr. Hideaki TOMOBE, Jakarta Office, JICA
- 19 (Mon)      Visited General Directorate of Small Industries,  
Ministry of Industry,  
Discussion for preparation/coordination  
for the procedures of the SEMINAR with:  
Mr. Ir. Binaldjemur Danuhadiningrat,  
Director General Secretary, GDSI  
Mr. Drs. Djoko Muljant, Director, Bureau of  
Planning, GDSI  
Mr. A. S. Siagian, Head, Bureau for Inter-  
national Relations  
Visited Jakarta Office, JICA  
Discussion for Seminar preparation with:  
Mr. Kazuhisa MATSUOKA, Deputy Resident  
Representative, Jakarta Office, JICA
- 20 (Tue)      Visited Jakarta Office, JICA  
Discussion for coordination with:  
Mr. Hidekazu TANAKA, JICA Expert, BKPM  
(Foreign Investment Coordination Board)  
et al. from GDSI, Ministry of Industry



Visited P.T. Nippondenso Indonesia, Inc.

Discussion on possible subcontracting practices with:

Director President, Director from Japan, local Director, Sales Manager, and Technical Adviser from P.T. Indoparts Utama

21 (Wed)

Visited:

PRIMKOPTI, Jakarta Selatan

(Cooperative of foods mfg.: tahu, tempei, etc.)

SENTRA INDUSTRI KECIL SEPATU, Karet Kuningan, Jakarta Selatan

(Cooperative of shoe manufacturers)

PEMEKIMAN INDUSTRI KECIL, Penggilingan, Jakarta Timur

(Cooperative of metal processing/fabrication, garments, etc.)

CEVEST (Center for Vocational/Extension Service Training), Desa Kayuringin, Jawa Barat

GDSI, Ministry of Industry

together with Mr. Achmad Kabul

Bureau of Program Development,  
GDSI,

Mr. Tonny Rifai

Kantor Departmen/Sudin Perindustrian,  
Jakarta Selatan

et al. from Bureau of Planning,  
GDSI, Bureau for International  
Relations, etc.

### III. SEMINAR (October 22 through 24, 1987)

#### PRESENTATION 1. (Prof. Iwaki) together with questions:

##### Small and Medium Industries in Economic Development,

The subject matter of my presentation is the role of small and medium industries in economic development of Japan and its applicability to developing countries. Particularly, I put emphasis on the subcontracting system in Japan which is very relevant to Asian NICS.

In the process of the presentation, I explained the system and supporting organizations of subcontracting linkage, stressing on the policy framework to encourage subcontracting system from the large firms and government level.

The Indonesian economy is also approaching to the stage of NICS. this means that, in terms of industrial structure the assembly type industries such as automobile, electrical appliances and machines, will become a core in industrial structure, and need more parts and components from local industries. This leads to the possibility of subcontracting system or ancillarization.

Therefore, the comments and questions from Indonesian side also concentrate on the applicability of subcontracting system to Indonesia which has different community structure from Japan. And where the initial impact comes from is another major question. My answer is to enforce the institutional frames to remove many constraints in Indonesia. In this sense, more information centres and technical centres will be needed to foster subcontracting system in Indonesia.

As mentioned above, the major discussion concentrated on how to apply the subcontracting system in Indonesia even though admitting its importance and relevance to the economy.

PRESENTATION 2. (Mr. Soeda) together with questions:

## JAPAN'S PRODUCTION MANAGEMENT: JUST-IN-TIME METHOD

### Contents of Presentation

The following contents have been presented on Just-In-Time production concept in order to invoke the discussion regarding the adaptability of the system to Indonesia.

1. Definition of Just-In-Time System.
2. Short example describing the benefits of keeping inventory low. (Mr. Rich Fool vs. Mr. Poor Wise).
3. Overview of information and physical flow regarding automobile manufacturing.
4. Framework of Just-In-Time Production System.
5. Philosophies of Just-In-Time System.
6. How to make production decisions; comparison of conventional and JIT methods.
7. How to use Kanban.
8. Production smoothing.

### Questions from Audience

1. "Is JIT system adoptable to Indonesian smaller enterprises?"

Answer: Yes, it is possible. The JIT concept is applicable to any repetitive type of production. However, good understanding of the system and expert's guidance are strongly desirable. Also it must be allowed to take two to three years in order to show the effect.

2. "What is the most difficult problem to implement the Just-In-Time System?"

Answer: There is the high risk of incurring stockouts because finished goods inventory is kept low. Also, line stop or production stop may occur because work-in-processes are kept small. Those problems appears frequently in the initial period. Whether or not you can overcome these initial difficulties is the key to the succes of JIT System.

### PRESENTATION 3 (Mr. Murata)

#### T.Q.C. in Japanese small industries (by Murata)

##### Presentation:

1. Why the the word Q.C. is topped with T: Total?
2. Is Quality a matter only for factory operations?
3. What we have to control: Pre-Quality operations?
4. Meaning of Big Company in the operations of many small businesses: multiplier effects in terms of Quality Control.
5. Involvement necessary for the top management.

##### Questions/Discussions:

- a. In Indonesia, the workers in small industries do not carry the posture of competing with each other; rather they tend to be jealous about any outstanding achievements of other workers. In view of this current mentality of those, how will it be possible to arouse the interests of workers for improvement?
- b. In Indonesia, entrepreneurs are not well educated, enough to understand the significance of venturing into the introduction of quality control practices. In what procedure, we can trigger the start-up of the action of introducing it?
- c. In Indonesia, we are in the middle of dilemma, in terms of quality standards! In such cases of the quality requirements, quite low level in the country, the necessity is there definitely enough for building/structuring the quality specifications that are lower to compare to those of Japan. This is quite understandable, in view of the workmanship of Indonesian workers.

But, at the same time, we are being impelled to conform to the high level of quality standards of Japan, especially in big companies of joint venture, primarily for reason of exporting! After many trials and the cost accumulations of successfully arriving at the mark, we may try to put this task to small industries for subcontracting possibilities; yet this is nearly impossible, because they are practising in the world of lower quality standards. How we can go about this?

- d. What do you think of the current Yen appreciation, affecting the industrial operations in Indonesia?

#### RESPONDING DISCUSSION:

In big companies, Q.C. circles are already in operations. In one way or another, there is a growing necessity of placing orders to small industries for subcontracting works.

Those big companies of Japanese joint venture find it difficult to continue the so far practised importation of parts from Japan, because of appreciating Yen, trying to purchase parts locally and/or being compelled to buy parts locally.

On the part of those companies, the question is whether the locally operating small industries are capable enough to meet the requirements of quality, delivery conditions, quantity and the cost. Those big companies are being placed in a situation to think about their technical help on small industries' improvement on quality, delivery operations and quantity, in spite of cost, as long as the targeted small companies are able enough to catch up to all the steps of technical helps.

Just as the fruits of trees being ripe enough, now about to start falling, the transfer of technology will start to take place, once this static situation broken through. The so far held static situation continued all because of the inability of small industries to catch up to the requirements of big companies.

It is along these context that the extension services should work, first to upgrade the lowly educated entrepreneurs of small businesses. The necessity is there on the side of big companies. They are trying to find subcontractors of high potentials. For them, the question is whether they can find able small companies successfully, or they would go into manufacturing operations of necessary parts on their own. In their logic of big companies' thinking, there is no harm that they would go into parts manufacturing on their own! Rather, this has been the practises in the past.

## PANEL DISCUSSION

### Panelists:

- |           |   |
|-----------|---|
| Chairman  | - Mr. Lengkong, Director, Bureau of Metal Industries, GDSI  |
| Panelists | - Mr. Madethen, Director, Bureau of Industri Pangan, GDSI   |
|           | - Dr. Tawang Alun, Associate Director of Training, Institute for Economic and Social Research (LPEM), Faculty of Economics, University of Indonesia |
|           | - Mr. Purwadi Sugito, Chief, Bureau of Standardization, GDSI  |
|           | - Mr. Suprpto, Chief, Climate/Environment, GDSI   |

(from Japanese side)

- |             |   |
|-------------|---|
| Co-Chairman | - Prof. Goh Iwaki, Aichi Gakuin University, Nagoya  |
| Panelists   | - Mr. Hidekazu Tanaka, JICA Expert, BKPM  |
|             | - Mr. Takashi Sasaki, JICA Expert (Senior Development Specialist), CEVEST                                       |
|             | - Mr. Noriyuki Murata, Senior Management Consultant, Chu-San-Ren (Central Japan Industries Association), Nagoya |

This panel discussion got started by Mr. Lengkong's request to the ex-participants of any training programs in Japan, to speak about their experience, the benefits and the utilities after resuming their duties back in office. The following is the summarized recording of the discussion.



(1) Questions have been raised as to whether the possibilities are there in Indonesia for successfully introducing:

- subcontracting operations of small businesses
- just-in-time methods of production in small businesses
- and - total quality control in small businesses.

(2) Where does the initial impacts come from, for triggering the action in introducing the above methods/systems of operations?

(3) What are the appropriate procedure in Indonesian context, to implement these methods/systems?

(4) What institutional frameworks are necessary in the government's plan formulation, in the operations of government offices?

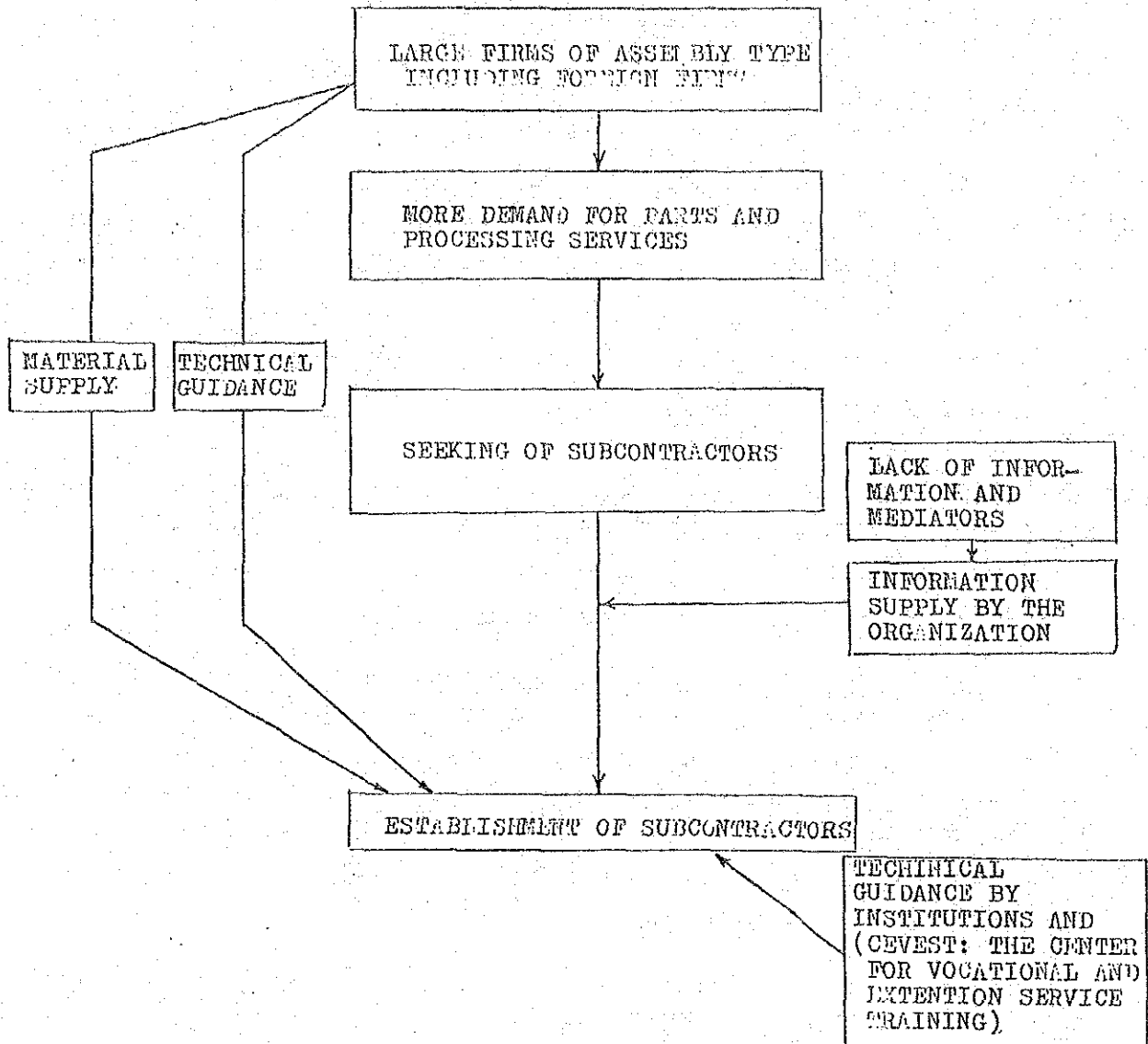
(5) RESPONDING DISCUSSION from the panelists:

- a. Major constraints of introducing the subcontracting system in Indonesia lie in the lack of information between the big companies to work as parent company and the small industries
- b. The gap between the parent company and the possible small industries to work as subcontractor, in terms of technology, management, and other relevant knowledge of corporate operations.

For filling the gap between the two, the following institutional enforcement of the Government is necessary, especially for providing the information to the relevant constituents of the concerned parties, as illustrated in the next page chart.

As shown in the chart, the CEVEST which is already operating in the field of Extension Service personnel's training/vocational training, can be best utilized for triggering the actions in introducing the subcontracting operations, and other methods, practices of operations.

ENFORCEMENT OF INSTITUTIONAL FRAMEWORK TO  
ENCOURAGE SUBCONTRACTING SYSTEM TO IMPROVE



In addition to the previous discussion, the following discussions were conducted:

(6) How we can strengthen the marketing operations of small businesses in local markets and in overseas markets?

(7) Whether the government licensing system of Indonesia hampers the smooth operations of marketing, the development of small industries in trade sector in Indonesia?

(8) Whether the current Japanese system of employing Japanese trading companies by the manufacturers of Joint Ventures with Japanese capital is becoming a great hindrance to foster the development of local traders?

(9) How the Japanese Government is taking actions in its administrative set-up to avoid the chain reactions of small enterprises' bankruptcies?

(10) RESPONDING DISCUSSION from the panelists:

- a. In Japan, the export operations of small businesses has been conducted, performed, and reinforced by the small business cooperatives. When viewed from this angle, the exporting practices of small businesses not only in Indonesia, but also in other developing countries have not been much studied for proper development. In other words, much study should be done in this field, as well as enough attentions should be paid in the context of technical cooperation from the Japanese side, in terms of international training, so as to improve and reinforce the small businesses' export operations.
- b. As the international trades currently increases between Indonesia and other countries of ASEAN, between Indonesia and Japan, the difficulties are being felt for smooth expansion by the Indonesian side, due to the fact that the expansion of international trades is under way by manufacturing processes, by varieties of parts, within a single or related companies grouping across the countries in Asia, and other parts of the world. In other words, joint ventures operating in Indonesia are rather tied up with counterpart companies of other countries including Japan, within the same grouping, finding themselves in big

difficulty of trying to increase the local % of processing in the operating country.

- c. In order to prevent the chain reaction of small business bankruptcies- domino type bankruptcy, the Government of Japan has its system of rescuing those small industries by supplying finance, by government interventions to the concerned sector of industries, by credit supplementation system. Among all these, credit supplementation system works in great relevance for prevention of the chain reaction.

#### IV. RESULT OF DISCUSSION SUMMARIZED

- a. We have confirmed that in Indonesia especially in the concerned government sections of relevant ministries, the importance of small industries is highly recognized. The number of personnel attended the seminar, the questions asked to the floor of discussion in the seminar prove this situation. For this reason, it is suggested that this type of seminar be repeated in a series.

When this type of seminar is planned for the next series of occasions, it is proposed that the observation tour to the small industries be packaged in the session, so that the discussion can be conducted on the small industries visited by the Team. This time, we have visited the small business industrial cluster in Jakarta area. This helped the team to concentrate the whole discussion into proper concentration.

Also, the participation of the big company ( for reason of being a parent company), and of the small company (being a possible subcontractor) entrepreneurs would be more helpful in deeping the discusssion for drawing the possible counter-measures.

- b. For promotion of small businesses' subcontracting, CEVEST can be the best appropriate organization. It is proposed that such functions being performed by SMALL BUSINESS CORPORATION can be performed in CEVEST, for extension services/training for local entrepreneurs, for services of big companies to accommodate their requests onto small businesses.

Out of any of the afore-mentioned points of discussion, proposals, as recorded in this report, this Team has no authority in its capacity to make some commitments. In our capacity, therefore, we will be reporting them as requests to Japan, to JICA, upon return to the country, Japan.

The fact that this SEMINAR ended in a great success, we believe, is all due to the high level of interests being shown to the importance of small industries in Indonesia, by all the concerned parties in presence at the SEMINAR; for which we are very much thankful. Our particular gratitudes are due to the valuable cooperations of the General Directorate of Small Industries, Ministry of Industry; without which it were not possible to have attracted the attentions of such large audience, as many as nearly a hundred.

Further, our thanks are due to the special cooperation of JICA Jakarta Office, for all the coordinating tasks, having supported the operations of our Team, prior to the arrival, during the sessions of the SEMINAR, mentally and physically.

October 24, 1987

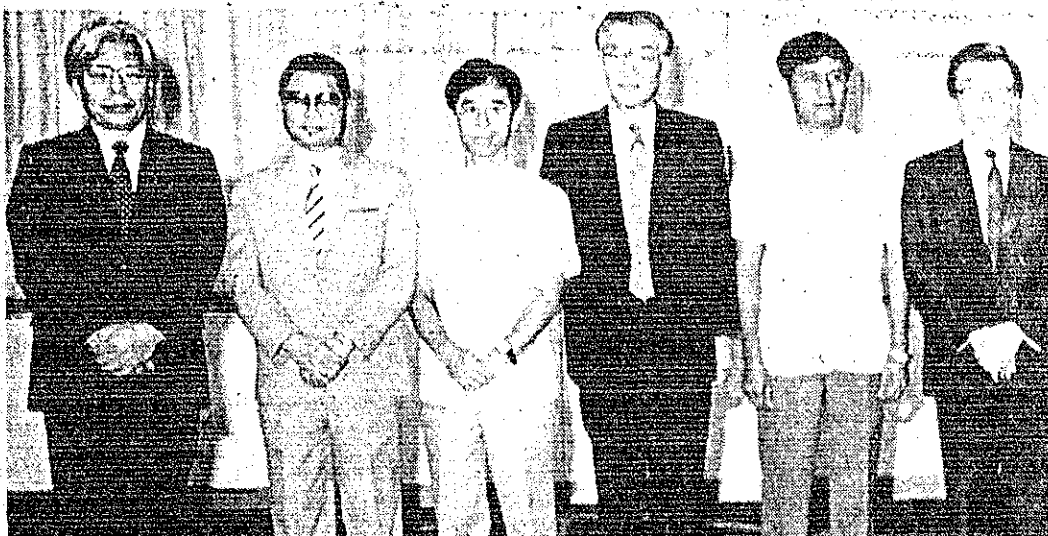
Goh IWAKI

Leader of the TEAM  
of Experts from Japan  
for the SEMINAR ON SMALLER  
ENTERPRISE DEVELOPMENT

over the opening of THAI's 23rd Systemwide Station Managers at the Asia Hotel. Photo shows (from left) Capt Sriroj Jivaluck, Tharnnoon Wanglee,

Ruedegeer, ACM Prayad, Brisbane station manager Jette Moier and vice president of the Ground Operations Department Capt Udom Krisnampok.

members of the Trade Association's mission to Thailand by chairman of the committee (Tokyo) S. Ueda and a conference Japanese rubber the Tawana Rubber to develop the business between the two countries. Photo shows (from left) Thailand Co Ltd agent C. Furui, Yo-Rubber (Japan) of the First Production S. Suzuki, general manager of Co Ltd Mr Ueda, the Rubber of the Rubber Morita and Maritalland Co Ltd Kiranan Lanapong.



The Japan International Cooperation Agency (JICA) recently held a three-day seminar on "Smaller Enterprise Development" for representatives of the government and the private sector at the Hotel Siam Inter-Continental.

Photo shows (from left) Prof Go Iwaki from Aichi-Gakuin University, deputy director-general of the Industrial Promotion Department Viravat Bunyaketu and expert from the Japanese Department of Industrial Promotion Akira Kuroda with some of the other participants.

## ANY LIMITED AND SUBSIDIARIES

PER 30, 1987 AND 1986

SHAREHOLDERS' EQUITY		CONSOLIDATED STATEMENTS OF INCOME	
BAHT' 000		BAHT' 000	
1987	1986	1987	1986
<b>REVENUES</b>		<b>REVENUES</b>	
Net sales	1,456,856	12,545,854	9,700,127
Other income	990,136	303,587	166,027
Total Revenues	1,727,740	12,849,441	9,866,154
<b>COSTS AND EXPENSES</b>		<b>COSTS AND EXPENSES</b>	
Cost of sales	12,492	8,342,748	6,838,990
Other expenses	1,185,160	2,701,873	2,046,730
Provision for income tax	1,048,345	517,303	295,587
Total Costs and Expenses	4,692,989	11,561,924	9,181,307
NET INCOME	1,123,021	1,287,517	684,847
Earnings per share (Baht)	29,203	108.44	57.68

