

Analysis of Factors Influencing the Decision of Japanese Investors to Direct Investment in Thailand

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Abstract: *The report studies the key factors of Japanese investors who decide to invest in Thailand. Using direct survey of executives of Japanese companies in Thailand of 162 companies in all business groups, which consisted of seven groups. Metal and Machinery, Transportation and vehicle, Chemical, Paper and Plastic, Electronics, Electric appliances and Other industries group. Data was collected using a questionnaire to measure the level of satisfaction which uses a seven-point likert scale questions and the results were processed and analyzed exploratory factor Analysis and structural equation. The variable using observations from studies in the past were 23 variables comprising economic variables, government & regulation and legal variables, Infrastructure variables, and the factors In terms of human resource.*

The results showed that the structural equation model of factors critical to the investment of Japan in Thailand. Political and Economic Potential effects of the maximum. Followed by the Learning Growth and Long-term disaster Protection. Law, Regulation and Practicing and Infrastructure factor has no direct effect on of Japan's direct investment in Thailand however they were indirect representation.

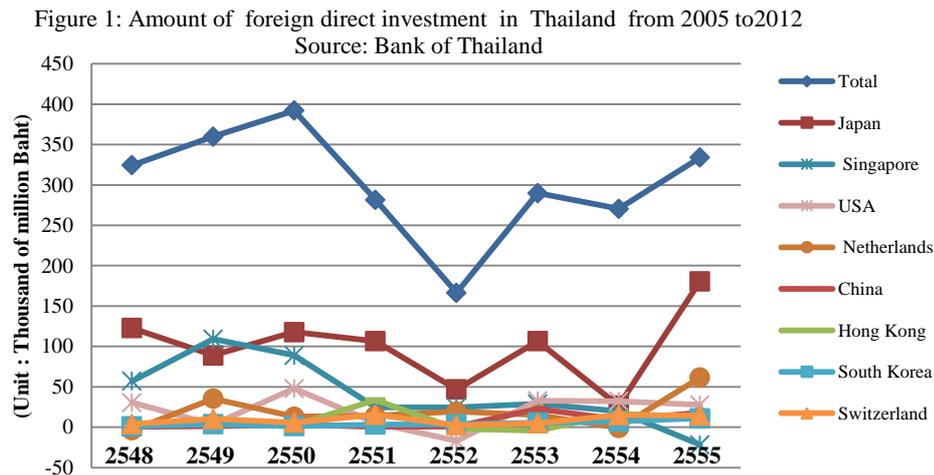
When Kano's theory applied to the analysis of structural equation found. Performance dimension on theory of Kano that influence of Japanese direct investment in Thailand a rising were Reasonable wage, Economic and Exchange rates stability. Stable political. Logistics system efficiency. And the development of Long-term disaster protection. The factors that make Thailand is inviting and attractive for investment or Attractive dimension on Kano's Theory and it is different from other countries were develop The competition and modernized tax system as well as improving The standard of education.

Keywords: *Analysis of factors influencing the decision, Japanese investors, Direct investment in Thailand*

I. Introduction

It is well known over the past decade, Thailand's economic growth continuity. The GDP growth rates were high continuously that the key factor is foreign direct investment, especially investment industry (Jansen1995)As due from the country which are in developing level, lack of domestic saving, investment technology and the ability of enterprises.

As from the start of country development, the government has been launch the Investment law. After that the law has been amendment by Industrial Promotion Act 1954 and the Stamp Act to promote industrial investment in 1960, which is more complete. And also appointed "The Committee, promote industrial investment," which is the beginning of the Board of Investment of Thailand (BOI 2012), including a plan for economic development since the first edition 1961 (NESDB 1961)onwards, the area started to open and there are policies that encourage foreign direct investment clearly. Foreign direct investment has had to invest a lot. As analysis found the initial investment for production to replace imports from abroad (Viravan 1972) There are various empirical studies which show that there is positive relationship between FDI and economic growth and FDI is a key component of the world's growth engine, hence countries such as in Asia try to create favourable conditions to attract more FDI inflow into their economies. (Adhikary 2011; Bhavan et.al 2011; Azam 2010) The expansion of the foreign direct investment in Thailand has expanded to the industry with the export of goods to be sold abroad. As a result, the expansion of trade both within the country and abroad, and the rate of increase of exports at a high rate.(BOI 2012)



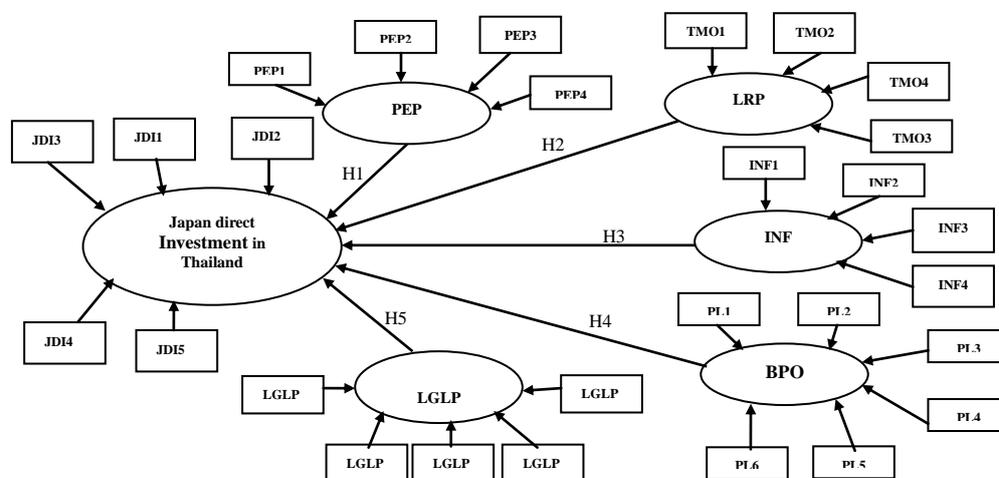
It is evident that foreign direct investment coming into the year from 2005 to 2012 as investments from Japan, most regularly. And if the sum of Japan direct investments in Thailand from 2005 to 2012 (Fig.1) be worth 796,921 million baht in total investment value of foreign direct investment totaled 2,418,809 million baht, or about 33 percent of all foreign direct investment.

In particular, this study applies structural equation modeling (SEM) and Kano's Theory to investigate the factors of FDI from Japanese investors as sets of investment environmental factors, on the investment intention of doing business in Thailand. SEM has been widely used in a number of disciplines, including healthcare (Babakus and Mangold, 1992), information management (Etezadi-Amoli and Farhoomand, 1996), logistics (Dunn et al., 1994; Stank et al., 2001; Lin et al., 2005), marketing (Steenkamp and Baumgartner, 2000), psychology (Agho et al., 1992; Shen et al., 1995), and tourism management (Reisinger and Turner, 1999). As similar to the Kano's theory that is used and accepted widely in Engineering, product design which is centered base on consumers or users value and the responses from the application will take the various views.

Objective

- To analyze the key factors that influence the investment decisions of Japanese investors to invest in Thailand.
- To study the emphasis of the human factor to consider direct investment from Japan.
- To create a model to explain the factors that affect of Japanese investors to invest in Thailand.

Figure 2: A conceptual model of the factors hypothesized of Japan direct investment in Thailand



Hypothesis

H1. Factor of Political and Economic Potential (PEP) have a positive effect with Japan direct investment in Thailand.

A research report showed that the risk of major business for the decision to invest is risk of political stability (Moosa 2002) due to political risk can also be traced to problems in business concerning. It has severe

effect as it can cause disruption or sales, or cause damage to investment in property or estates, Including the seizure of property by government officials (Daniels, et al. 2002) for the major political events that reflect the instability of government occurred as a revolution and a coup. It is found that the problem of political stability also occurred in developing countries.

H2. Factors of Law, Regulation and Practicing (LRP) have a positive effect with Japan direct investment in Thailand.

A research have advocated that countries with clear rules and practices to support foreign direct investment (Jadhav 2012), A study report in China found that bribery will result in negative foreign direct investment (Wei, 1999).

H3. Factor of Infrastructure (INF) have a positive effect with Japan direct investment in Thailand.

A study of the utility infrastructure as factors influencing foreign direct investment. It was found that the infrastructure are the key factors that cause foreign direct investment in Japan and the United States (Mody and Srinivasan 1998), In the emerging economies, many researchers who studied the factors of infrastructure that affecting the foreign direct investment. The report showed that the adequate and efficient infrastructure in China was the major cause of foreign direct investment. (LuMinghong 2000) In the same year, A study in China found the infrastructure sufficient helped to promoting FDI. (Zhao and Zhu 2000)

H4. Factor of Business Promotion and Openness (BPO) have a positive effect Japan direct investment in Thailand.

Tax privileges and liberalization of trade and investment in domestic and AEC member countries will cause market expansion which will be beneficial for the local and international companies who have operations in the region, The industry is pushing for a different continuity. (Mirza and Giroud, 2004) The benefits of the integration of the countries of Southeast Asia is making a market in a larger size in AEC community, which has a population of over 600 million people (Plummer 2009).

H5. Factor of Learning Growth and Long run Protection (LGLP) have a positive effect with Japan direct investment in Thailand.

The study is reported as an indicator that the human factor is the key factor to encourage foreign direct investment as educated workers and training are critical factors that cause direct investment, a study reported in the United States and Japan (Mody and Srinivasan 1998), corresponding study in China found the factors in education are critical factors affecting foreign direct investment (Bhagwati and Srinivasan 1983), As same as a study report in Nigeria found the education of worker was the major factors of FDI. (Akinlo 2004)

II. Research Methodologies

2.1 Data collection

Research using questionnaires to collect data from a sub-population with investors from Japan that was a business in Thailand as production facilities, services and others. Research tooling, Questionnaires have 2 parts with based on structural equation (1st part) and questionnaires based on the theory of Kano (2nd part) after assessed for validity and reliability through it. Its sent to the target demographic, Japanese companies in Thailand by using random alphabetical list of English alphabet (A-Z), using a total of 1,000 questionnaires by mail. The target were the highest ranking executive of Japanese companies, The Chief Financial Officer(CFO) which is responsible for the manage and control the investment and finance of company and knowledgeable about the investment policies. The company mainly targets the establishment or factory is located in Bang Pa -in Industrial Estate, Rojana Industrial Park, Hi-Tech Industrial Estate in Ayutthaya, Nava Nakorn Industrial Estate, Bang Kadi Industrial Park in Pathum Thani province, Industrial Estate in Samut Prakan, Amata Nakorn Industrial Estate in Choburi and LatKrabang Industrial Estate in Bangkok and other operators which a service business almost of these establishments in Bangkok and nearby. The survey commenced on May1,2013 and end on May 30,2013 and was responded back from June to August2013 .

2.2 Data Analysis

The first part is the questionnaire by seven-points likert scale with answers categorized by level of satisfaction in seven levels to collect and analyze factors by exploratory factor analysis and structural equation analysis. The second part is the evaluation factors investors consider and use the theory of Kano consists of questions to be answered from a sense perception that has the answer as level of 1 to 5 for functional form question and answer as level of 1 to 5 for dysfunctional form questions as well, which is characteristic of the model based on the theory of Kano. The compile from Kano test should be wider dimension from the traditional answer. The collection and verification of data integrity. Then analyzed by means of descriptive statistics to analyze the data of the respondents. Conscious and quantitative to analyze the first part . By analyzing the factors with exploration factors and structural equation to analyze the structural equation model.

Data from the second part of the questionnaire was used to analyze the theory of Kano. Using tables to estimate responses to each question set by Kano's Evaluation Table (Maztler, K .et al. 1996) were organized into

features in six features based. These include the Must-Be, Performance, Attractive, it's not different(In-Different), the Question and the Reverse.

Dysfunctional Form of Questions						
Functional form of Questions	Customer Requirement	Like	Must-Be	Neutral	Live With	Dislike
	Like	Q	A	A	A	P
	Must-Be	R	I	I	I	M
	Neutral	R	I	I	I	M
	Live With	R	I	I	I	M
	Dislike	R	R	R	R	Q

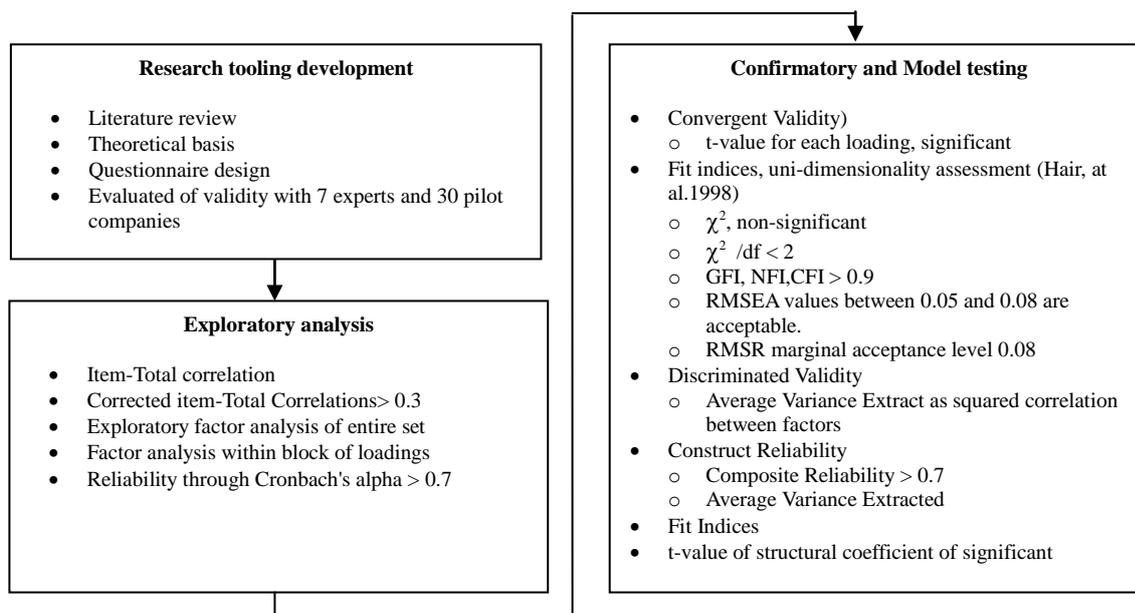
M = Must-be; P = Performance; A = Attractive; R = Reverse; I= Indifferent; Q = Questionable

Table 1: Kano's Evaluation table

Depth interviews are done with agencies or individuals associated with the investment for consideration of additional analysis and for fruitful discussions.

Data were analyzed using descriptive statistics . Reliability analysis of cronbach's alpha coefficient and exploratory factor analysis. Using the Statistical Analysis, Statistical Package for the Social Sciences (SPSS) version 21 and application software as Analysis of Moment Structures(AMOS) Version 21 in the structural equation analysis.

Figure 3: Process of structural equation Mythology



Research tooling development

Analysis of the literature reviews that emphasis of foreign direct investment, which is collection from related study report in various countries.

Table 2 : FDI variables Evaluation from literature review

Dimension	Attribute/Variable	Referred study of.
Economic	As adequate of Raw material	(BOI 2010) (BOI 2011) (Viravan 1972) (Jadhav, 2012) (Aseidu 2005) (Dupasquier&Osajwe 2006) (Deichmann et.al. 2003)
	Optimum production cost	(BOI 2010) (BOI 2011) (Zhao and Zhu 2000)
	Reasonable of labor cost	(BOI 2010) (BOI 2011) (Trillit 1995) (Viravan 1972) (Julian 2001) (Coughlin et al.1991) (Tsai 1994)
	Stable of Economic	(BOI 2010) (BOI 2011) (Fan and Dickie 2000) (Jadhav 2012) (Athukorala&Sen, 2002) (Pindyck& Solimano1993)(Price 1995)
	To manage currency exchange rate	(BOI 2010) (JCCB Survey 2012) (Wang & Swain 1995)
Government/Regulation	Political stability	(Daniels ,et al.2002) (Jadhav 2012) (Dunning 1993)(Moosa 2002) (Dupasquier&Osajwe 2006) (Zenegnaw A.H.2010)
	Continual investment policy (Promoted & Incentive)	(BOI 2010) (Yamagata 1998) (Julian 2001) (Lall and Streeten 1977) (Lall 1980) (Cave 1996) (Woodward and Rolfe 1993) (Head and Ries 1996)
	Join with Asian Economic Community (Market Size)	(BOI 2010) (JCCB Survey 2012)(Mirza,Giroud 2004) (Plummer 2009) (Blejer& Khan 1984)(Sundarajan& Thakur 1980)
	Transparent administration and good governance	(BOI 2010) (Trillit 1995) (Jadhav 2012) (Smarzynska& Wei 2002)
	Clear modern tax system	(BOI 2010) (JCCB Survey 2013)
	No limit percent of shareholders	(Yamagata 1998)

Infrastructure	No limit the number staffs to work	(Hamada 1972)(Yamagata 1998)
	Efficient logistic competitive	(BOI 2010)(JCCB Survey 2013) (Mody and Srinivasan 1998) (Zhao and Zhu 2000) (LuMinghong 2000)
	Efficient supply chain system	(BOI 2011)
	Efficient telecommunication system with reasonable price	(LuMinghong 2000)
	System protection from natural disaster	(BOI 2010) (BOI 2011)
Human Resource	Adequate industrial zone	(JCCB Survey 2013) (Zhao and Zhu 2000)
	Efficient transport, adequate of power & water	(JCCB Survey 2013) (Mody and Srinivasan 1998) (Brainard 1993, 1997) (Zhao and Zhu 2000) (LuMinghong 2000) (Coughlin et al.1991)
	Sufficient skilled labor	(BOI 2010)(BOI 2011)(Mody and Srinivasan 1998)(Fan and Dickie 2000)
	Positive attitude toward foreign investment	(AEIS 2012)
	Internal standards and have opportunities to exploit knowledge into real competitive edge	(JCCB Survey 2013) (Akinlo 2004) (Bhagwati and Srinivasan1983)
	Foreign languages skill	(AEIS 2012) (JCCB Survey 2013) (LuMinghong 2000)
	As continuous learning system	(JCCB Survey 2013)

From analytical process found 23 observed variables that consists of five factors.

▪ **Exploratory Analysis**

As from the result of descriptive analysis found the variables derived from data that are skewed slightly above the normal, As rang of +1/-1 as only three variables and levels were not very high. As the kurtosis were within normal, range of +3/-3(Kline 2005) that only one was above and it little high.

Table 3 : Descriptive Statistics for Factors of Japan direct investment in Thailand

	Descriptive Statistics								
	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
AdaRawmat	162	1	7	5.36	1.240	-1.258	.191	1.757	.379
OptimalPro	162	1	7	5.14	1.360	-.801	.191	-1.133	.379
Labor	162	1	7	5.02	1.153	-.788	.191	.070	.379
StaEconomic	162	3	7	5.58	1.008	-.591	.191	1.150	.379
ExEfficiency	162	3	7	5.13	1.180	-.301	.191	-.728	.379
StaPolitical	162	2	7	4.82	1.383	-.344	.191	-.739	.379
InvestPolicy	162	2	7	5.36	1.073	-.831	.191	1.288	.379
AEC	162	3	7	5.49	.900	-.506	.191	.635	.379
Transparentgov	162	1	7	5.26	1.559	-.819	.191	.049	.379
ModerntaxSystem	162	1	7	5.51	1.186	-.833	.191	.637	.379
ShareholdersLimit	162	3	7	5.68	1.055	-.802	.191	.118	.379
ForeignerstaffLimit	162	3	7	5.55	.885	.039	.191	-.467	.379
EfficientLogistic	162	1	7	5.17	1.441	-.939	.191	.267	.379
EfficientSupply	162	2	7	5.38	1.328	-.978	.191	.397	.379
EfficientTeltecom	162	1	7	5.34	1.087	-1.327	.191	3.584	.379
DisasterProtect	162	2	7	4.86	1.607	-.111	.191	-1.163	.379
PowerWater	162	3	7	5.52	1.065	-.847	.191	.401	.379
IndustrialZone	162	3	7	5.53	.998	-.807	.191	.771	.379
SufficienSkillLabor	162	2	7	5.36	1.298	-.692	.191	-.018	.379
PrositiveAttitude	162	3	7	5.79	1.042	-.769	.191	.328	.379
StandardEduated	162	1	7	5.12	1.422	-1.284	.191	1.485	.379
ForeignerProficient	162	1	7	4.60	1.488	-.830	.191	.132	.379
ConLerningSys	162	2	7	5.08	1.405	-.729	.191	-.257	.379
Valid N (listwise)	162								

Preceding of correlation matrix, they were generated from the specific variables to be imported into the analysis process when analyzing the factors, the step would analyzed by testing of KMO and Bartlett's Test of Sphericity before. the result was 0.79, which is considered appropriate to be included as a factor, and the ability to perform the extraction, and after the process of extracted factors by Principle Component Analysis found that the major factors including 6 factors(Eigen value >1) as cumulative sum of squared loading of 77.05% .

Table 4 : Principle component analysis for Factors of Japan direct investment in Thailand

	Rotated Component Matrix ^a					
	1	2	3	4	5	6
AdeRawmat	.194	.069	.109	-.075	.806	.179
OptimalPro	.272	.171	.169	.089	.171	.817
Labor	-.003	.130	.787	-.326	-.009	.186
StaEconomic	.016	.046	.827	.204	.208	-.289
ExEfficiency	.083	.003	.782	.299	.181	.122
StaPolitical	.235	-.096	.821	.107	.136	.225
InvestPolicy	.455	.192	.331	.547	.040	.105
AEC	.085	.055	.267	.666	-.069	.144
Transparentgov	.049	.117	.293	.032	.813	.053
ModerntaxSystem	.054	.149	.584	.331	.504	-.238
ShareholdersLimit	-.097	.348	.292	.637	.081	-.045
ForeignerstaffLimit	.235	.197	-.295	.675	.178	.038
EfficientLogistic	.098	.842	.097	.204	.238	.177
EfficientSupply	.200	.819	-.029	.241	.325	.140
EfficientTeltecom	.209	.839	.041	.099	-.128	.032
DisasterProtect	.789	-.013	.116	.210	.313	.104
PowerWater	.555	.595	.024	.184	.106	-.082
IndustrialZone	.434	.472	-.043	.541	-.119	-.293
SufficienSkillLabor	.812	.228	.066	.311	-.067	.190
PrositiveAttitude	.225	.533	.051	.572	-.083	-.002
StandardEduated	.602	.449	-.083	.145	.214	.411
ForeignerProficient	.762	.152	.013	.097	.250	.381
ConLerningSys	.822	.320	.192	-.175	-.081	-.160

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 9 iterations.

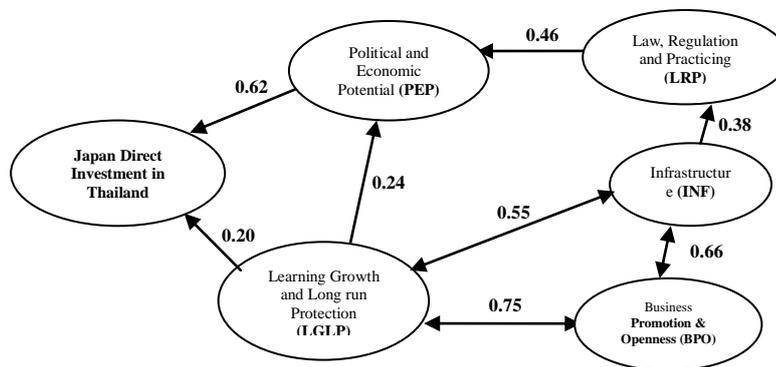
On the Correlation Matrix, it can be analyzed in each group as follows (Figure 1.)

- F1 = factor to the growth of learning and long-term protection (Learning Growth and Long-term Protection: LGLP), which relate with education, skill development and includes a plan for the long term protection.
- F2 = Infrastructure (Infrastructure: INF), which is a factor that includes the availability of adequate infrastructure and efficient. That are conducive to expansion.
- F3 = potential economic and political factors (Political and Economic Potential: PEP), which is a factor as well as the political and economic stability. To be a motivating factor causing more FDI.
- F4 = factor to promote investment and liberalization of Business (Business Promotion and Openness: BPO), which are the factors that contribute to government policy and regulatory limitations. Including attitudes toward foreign direct investment.
- F5 = legal requirements and practice (Law, Regulation and Practicing: LRP) is a factor as relate with legal, regulation requirement such as duty, tax, transparency administration that effect with the burden cost of business and reduced competitiveness.

Confirmatory and Model Testing

When analyzed by structural equation to prove the model form that is acceptable to the empirical data or not. Found to have structural equation with empirical results follows

Figure 4 Structural Equation Model



$\chi^2 = 665.899$ DF= 256, P Value = 0.00, RMSR = 0.131, RMSEA = 0.10, NFI = 0.84 CFI = 0.89

Table 5 : Regression weight of each latent veritable in Structural Equation Model

Constructs	Indicators	Scale Item	Factor Loading
Learning Growth and Long run Protection	LGLP1	Sufficient skilled-labor	0.92
	LGLP2	English/ Japanese proficiency	0.82
	LGLP3	Continuous learning system	0.67
	LGLP4	International standard education	0.76
	LGLP5	Natural disaster protection	0.73
Infrastructure	INF1	Efficient telecommunication system with reasonable price	0.78
	INF2	Efficient transportation system and adequate of power and water supply	0.56
	INF3	Efficient logistic	0.83
	INF4	Efficient supply chain system	0.85
Political and Economic Potential	PEP1	Political Stability	0.87
	PEP2	Currency exchange Stability	0.80
	PEP3	Reasonable cost of labor	0.59
	PEP4	Stable Economic	0.53
Business Promotion and Openness	BPO1	Continual Investment Policy	0.59
	BPO2	Member countries of Asian Economic Community (AEC)	0.18
	BPO3	Limit the number of foreign staffs to work in its territory	0.55
	BPO4	Adequate industrial zone	0.79
	BPO5	positive attitude towards foreign investors	0.72
	BPO6	limit percentage of shares that can be held by foreigners in an organization	0.63
Law regulation and Good Practicing	LRP1	Transparent administration and good governance	0.90
	LRP2	Modern Tax System	0.36
	LRP3	Optimal production cost	0.65
	LRP4	Adequate Raw material	0.19
Japan Direct Investment in Thailand	JD11	Consider invest in Thailand as near future	0.21
	JD12	A tendency to do medium and long term investment in Thailand	0.29
	JD13	Increase production capacity, New project Thailand has the first reference	0.85
	JD14	Thailand is the best candidate for investment in Asia	0.81
	JD15	You have heard of great investment success, excellence operation performance by Japan companies who has operated in Thailand	0.37

As from the result of the correlation analysis. The correlation coefficient between Efficiencylogistic (INF3) and EfficiencySupply (INF4) that correlation coefficient greater than 0.8 is considered to be a single observed variable as Efficiencylogistic for reducing of multi-collinearity effect. As Figure.4, latent factor of Business Promotion & Openness was not the direct effect with Japan direct investment in Thailand, hence that it was reduced.

III. Findings

Demographic Analysis

As questionnaires sent to a total of 1,000 copies were responded 162 a total of 16.2 percent of all. A small business with total sales of 100 to 500 million baht and medium size businesses with sales of 1,000 to 5,000 million baht, total 94 companies as accounted for 58 percent. A data found that the group of electronics as 42 companies accounted for 25.9 percent, metals and machinery as 28 companies accounted for 17.3 percent. They invest in Thailand for a period of 16 to 30 years as 74 companies, representing 46 percent, with a business operating a joint venture as of 29 companies representing 18 percent, acquisitions of 19 companies accounted for 11.7 percent, the form of alliances 18 companies accounted for 11.1 percent. The company with a number of employees from 51 to 300 people, the highest number of 57 companies, or 35.2 percent.

Structural Equation Mode

After received the questionnaires, when the effect reliable analysis found, the first part of questionnaires, structural equation base has cronbach's alpha coefficient of 0.91, which is acceptable. As exploratory factor analysis when applied with analysis of structural equation model showed that the developed model is consistent with empirical data. Basis by $\chi^2 = 146.275, DF = 89, P\text{-value} = 0.00, RMSR = 0.07, RMSEA = 0.06, GFI = 0.92, NFI = 0.94, CFI = 0.98$ by a factor latency correlated with FDI of Japan, the number four factors and 15 observed variables on all.

Figure 5 Structural Equation Model as status of FIT

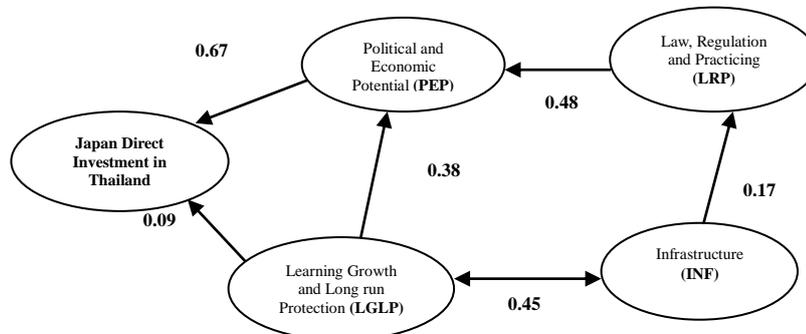


Table 6 : Regression Weight for Final of Structural Equation Model

Constructs	Indicator	Scale Item	Factor Loading
Learning Growth and Long run Protection	LGLP1	Sufficient skilled-labor	0.82
	LGLP2	English/ Japanese proficiency	0.83
	LGLP3	Continuous learning system	0.71
	LGLP4	International standard education	0.63
	LGLP5	Natural disaster protection	0.72
Infrastructure	INF1	Efficient telecommunication system with reasonable price	0.85
	INF2	Efficient transportation system and adequate of power and water supply	0.58
	INF3	Efficient logistic	0.79
Political and Economic Potential	PEP1	Political Stability	0.93
	PEP2	Currency exchange Stability	0.70
	PEP3	Reasonable cost of labor	0.60
	PEP4	Stable Economic	0.36
Law regulation and Practicing	LRP1	Transparent administration and good governance	0.95
	LRP2	Modern Tax System	0.39
	LRP3	Optimal production cost	0.22
Japan Direct Investment in Thailand	JDI2	A tendency to do medium and long term investment in Thailand	0.29
	JDI3	Increase production capacity, New project Thailand has the first reference	0.68
	JDI4	Thailand is the best candidate for investment in Asia	0.95
	JDI5	You have heard of great investment success, excellence operation performance by Japan companies who has operated in Thailand	0.27

Hypothesis Test

assumptions testing as table below.

Table 7 : The result of Hypothesis test

Hypothesis	Relation	Coefficient(t- Value)	Result
H 1	PEP → JDI	0.669 (7.009)***	Support
H 2	LRP → JDI	-0.194 (- 1.528)	Reject
H 3	INF → JDI	-0.589 (-2.016)**	Reject
H 4	BPO → JDI	-0.504 (-3.572)***	Reject
H 5	LGPL → JDI	0.094 (1.186)	Support

Only two latent factors, Political and Economic Potential(PEP) and Learning Growth and Long-term Protection (LGLP) are positive effect with Japan direct investment in Thailand.

Applied Kano's Theory

As the second part of questionnaires base on Kano's theory, which includes as functional and dysfunctional form, when the effect reliable analysis has cronbach's alpha coefficients was 0.89 and 0.91, which is acceptable. The result from the Kano surveyed as the follow

Table 8 : Result of Kano's Theory Surveyed

Observed variables /Attributes	Must-be Attribute	Performance Attribute	Attractive Attribute	IN-difference	Question & Reverse	Missing	Total	Kano's Classified
1. Political & Economic Potential: PEP 4 Attributes								
-Political Stability	20	70	5	56	10	1	162	Performance
-Stability of currency exchange rate	17	65	20	54	5	1	162	Performance
-Reasonable cost of labor	9	65	30	57	0	1	162	Performance
-Stable Economic	20	60	25	51	5	1	162	Performance
2. Learning Growth and Long run Protection : LGLP 5 Attributes								
-Sufficient skilled-labor	12	44	12	83	5	6	162	Indifferent
-English/Japanese proficiency	0	34	30	92	0	6	162	Indifferent
-Continuous learning system	5	29	30	92	0	6	162	Indifferent
-International standard education	0	24	92	40	0	6	162	Attractive
-Natural disaster protection	20	57	30	39	10	6	162	Performance
3. Law Rule and practicing :LRP 4 Attributes								
-Transparent administration and good governance	24	45	20	72	0	1	162	Indifferent
-Modern Tax System	10	66	70	10	0	6	162	Attractive
-Optimal production cost	63	32	15	46	5	1	162	Must-Be
-Adequate Raw material	39	33	17	63	9	1	162	Indifferent
4. Infrastructure :INF 4 Attribute								
-Efficient logistic	15	61	35	45	0	6	162	Performance
-Efficient Telecommunication	11	34	21	85	5	6	162	Indifferent
-Efficient Transport and Adequate power and water supply	46	44	20	36	10	6	162	Must-Be
-Efficient Supply chain	8	29	28	86	5	6	162	Indifferent
5 Business Promotion and Openness: BPO 6 Attribute								
-Continual Investment Policy	15	43	42	61	0	1	162	Indifferent
-Member of AEC	4	20	20	117	0	1	162	Indifferent
-Limit Foreigner for held shareholder	7	19	37	93	5	1	162	Indifferent
-Adequate Industrial Zone	21	34	16	80	5	6	162	Indifferent
-Positive Attitude toward Foreigner investor	15	19	35	87	0	6	162	Indifferent
-Limit number of Foreign Staff in Workplace	16	19	21	80	25	1	162	Indifferent

IV. Discussions

As respond from the first questionnaires survey on the factor analysis . And the structural equation model analysis showed that the improved model is consistent with empirical data . Basis by $\chi^2 = 146.275$, DF = 89, P-value = 0.00, RMSR = 0.07, RMSEA = 0.06, GFI = 0.92, NFI = 0.94, CFI = 0.98 by a factor latency correlated with FDI of Japan, the number four factors and variables. observed on all 15 observed variables and analysis of results can be summarized as follows .

- ❖ Of structural equation model showed that the factors that most directly affect the investment of Japan in Thailand is the potential economic and political (PEP) effects of the maximum of 0.67, Second is about learning and growth and long-term protection factor (LGPL). As a result, Japan's direct investment in Thailand was 0.09, the legal and regulatory factors, and other factors do not direct affect, but they have an indirect effect.
- ❖ This study found that factors related to human resources, which is the element of passive learning, growth factors and long-term protection. Is important to consider the investment of Japan in Thailand. The direct effect is 0.09 and It indirect effect through the potential economic and political factors as well.
- ❖ Factor theory of Kano. Which includes the value of core three factors is the underlying values Must Be, Performance, and Attractive have a positive effect on the share of investors from Japan to invest in Thailand.

V. Acknowledgment and Recommendations

As from research resulting, it can guide of format policies from related parties to support. Related to enhance the promotion of foreign investment, which will guide the redevelopment , economic development. It's the investment will make our economic expansion, higher employment levels, and also to develop quality human resources, which causes the value added in the economy and led to the development of society. There are lessons which suggests that foreign direct investment is a major part to make this happen, which to live, but only internal invest in countries where there is a dearth of the savings, expertise and quality of population the development is going to be limited. Examples of countries that have been successful outcome of such a policy of promoting foreign direct investment are South Korea, Taiwan and Singapore, where the first phase of developing countries had policies to promote foreign investment . Since they were country with shortage of natural resources, science and technology and savings, Internal market is quite small and but the policy of promoting foreign direct investment with strengths in low labor cost was the factor, human resources can learn and develop and support from the policies of the government concentrated. As now from success to develop the potential of the country had became the country with the potential for competition. It also has the potential to develop the technology by itself. And have sufficient funds to invest in domestic and aboard, change roles on a new group of potential investors .

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