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หลังจากการปฏิรูปทางการเมืองสังคมและเศรษฐกิจเมื่อปี ค.ศ.2015 เศรษฐกิจของพม่าที่แยกออกมาจากเศรษฐกิจโลก ประเทศพม่าได้นำเสนอตัวเองว่าเป็นที่ที่น่าสนใจ สำหรับการลงทุนเนื่องจากมีทรัพยากรธรรมชาติและธรรมชาติที่อุดมสมบูรณ์ มีทำเลที่ตั้งเชิงกลยุทธ์และนโยบายการลงทุนที่เอื้ออำนวย

ประเทศไทยเป็นหนึ่งในประเทศคู่ค้าที่ใหญ่ที่สุดของพม่าและได้ลงทุนในพม่าก่อนการปฏิรูปเศรษฐกิจเมื่อไม่นานมานี้ และยังคงเป็นนักลงทุนชั้นนำของประเทศ การศึกษาครั้งนี้มีวัตถุประสงค์เพื่อศึกษาปัจจัยที่มีอิทธิพลในเชิงบวกและนัยสำคัญต่อการตัดสินใจของบริษัทไทยในตลาดหลักทรัพย์ที่จะลงทุนในประเทศพม่าเพื่อศึกษาความเป็นไปได้ในการลงทุนของบริษัทไทยในตลาดหลักทรัพย์ที่อยู่ในประเทศพม่าและเพื่อให้คำแนะนำสำหรับผู้บริหารรัฐบาลของประเทศพม่า และผู้กำหนดนโยบายเพื่อปรับปรุงบรรยากาศการลงทุนของพม่าให้ดึงดูดการลงทุนโดยตรงจากต่างประเทศ (FDI) ในอนาคต

จากผลการวิเคราะห์ ผู้วิจัยได้ข้อสรุปว่า ปัจจัยด้านทำเลที่ตั้ง ปัจจัยทางการตลาด ปัจจัยทางสังคมและปัจจัยทางการเงิน มีความสัมพันธ์เชิงบวกและสำคัญกับบริษัทไทยในตลาดหลักทรัพย์ที่ลงทุนในประเทศพม่า นอกจากนี้ปัจจัยภายใน เช่น แรงจูงใจจากการลงทุนโดยตรงจากต่างชาติมีบทบาทสำคัญในการตัดสินใจลงทุนของ บริษัทไทยในตลาดหลักทรัพย์ในประเทศพม่า**คำสำคัญ :** ปัจจัยการลงทุน; บริษัทไทยในตลาดหลักทรัพย์; ประเทศพม่า

Abstract

After the recent wave of political, social, and economic reforms in 2015, Myanmar's once isolated economy has opened to the rest of the world. The country presents itself as an attractive destination for investment as it has abundant natural and human resources, its strategic location, and favorable investment policies.

Thailand is one of Myanmar's biggest trading partners and has been investing in Myanmar before 2015 economic reform and remains to be a top investor in the country. This study aimed to 1) explore which factors have positive and significant influence on Thai listed firms' decision to invest in Myanmar, 2) investigate the likelihood of investment of Thai listed firms in Myanmar, and 3) provide recommendations for Myanmar authorities and policy makers to improve Myanmar's investment climate to attract more Foreign Direct Investment (FDI) in the future.

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From the analysis results, the researcher concluded that location factors, market factors, social factors, and financial factors had positive and significant relations with Thai firms' FDI in Myanmar and that location and financial factors were predictors of listed firm's FDI in Myanmar. In addition, internal factors such as FDI motivations played an important role in influencing Thai listed firm's decision to invest in Myanmar.
Keywords : Determinants; Investment; Thai listed Firms'; Myanmar

Introduction

Over the past three decades, there has been a rapid rise in international activities by multinational enterprises (MNE's) due to globalization. The increase in MNE's has become a key driver for FDI as MNE's seek to invest their capital in foreign countries. Global FDI reached US$470 billion in the first half of 2018 and developing economies attracted two-thirds of the amount (United Nations, 2018).

FDI represents cross-border acquisition of foreign assets for the purpose of controlling them. The World Bank defines FDI as "the net inflows of investment to acquire a lasting management interest (10 percent or more of voting stock) in an enterprise operating in an economy other than that of the investor. Although most FDI advocates agree that FDI provides valuable benefits for a host country, there are also opponents argue that FDI would increase dependency and vulnerability of the host country. However, FDI is viewed as a stimulator for economic development as evident in various countries, especially in the ASEAN region such as Thailand, Indonesia, Vietnam, and Singapore, when they underwent an influx of FDI. Inflows of capital allowed the host country to use funds in its development projects that otherwise it is not capable of spending, to increase exports rapidly, to promote sustainable development through technology, and to offer attractive job opportunities for the local workforce. A general conclusion can be drawn that FDI is a catalyst ofdevelopment finance, promoter of export, and bridges the technology gap, and creates job opportunities for local employees and businesses. FDI in Myanmar has only been permitted since 1988 under the Union of Myanmar Foreign Investment Law, and the level and variety of investment were limited. In 2010, a series of reforms led by the elected government, the country began shifting towards a market-oriented economy. With the passage of the Foreign Investment Law (FIL) in November 2012, the country aims to attract foreign investments through different forms of incorporation, tax incentives, and long-term land leaseagreement. Foreign investment in infrastructure development including banking, telecommunications, and transportation are deemed necessary to facilitate investments in other sectors and to reduce the country's dependence on the agricultural sector. The new Myanmar Investment Law 2016 (MIL) has been enacted on 18 October 2016. It is a consolidation of the Myanmar Citizen Investment Law (2013) and the Myanmar Foreign Investment Law (2012). The Myanmar Investment Commission (MIC) is responsible to facilitate FDIs by offering incentives (Price water house Coopers Myanmar, 2016).

Thailand, as of November 2013, was the second largest foreign investor in Myanmar and still be the one of the Myanmar government's top targeted countries including the US, UK, China, India, Japan, Korea, Australis, Singapore and Thailand (Thiha Ko Ko, 2018). Myanmar is an important investment destination for Thai companies due to its strategic location as neighboring countries, as well as, investment opportunities that could mutually benefit both parties.

Literature review

Thailand's Outward FDI

Thailand's outward foreign direct investment (OFDI) has been increasing consistently. The Board of Investment's (BOI) policy to promote OFDI, the Bank of Thailand's (BOT) liberalization of capital outflow, and the expansion of the Thai economy and the increased competitiveness of Thai firms contributed to the increase in OFDI. According to the research of Stock Exchange of Thailand, the net OFDI flow of Thai listed firms in 2017 was THB127 billion and ASEAN is the major investment destination with 186 firms investing in this region or equivalent to 82% of the total 226 firms undertaking OFDI. There were 64 Thai listed firms with investment in Myanmar, the highest number comparing to other ASEAN countries (BOI Research Department, 2018).

Eclectic Paradigm (OLI) and Macro-environment factors (PESTEL)

When an MNC invests in a foreign host country, the MNC is faced with local competitors who are more familiar with the market, the demand conditions, and the consumers. The ownership advantage (O) is a firm specific advantage that arises from the ownership of some proprietary assets or rights, which help the firm, operate successfully in the host economy. Ownership advantages can arise from monopoly advantages through ownership or privileged access of natural resources, patents, trademarks, or licenses, research and development activities which spur innovation, and economies of scale, economies of scope, economies of learning, and greater access to financial capital. When the ownership advantage is fulfilled, the MNC must have additional advantages to undertake FDI rather than to sell or rent to other firms, or to export. The location specific advantage (L) is another determinant that compels the MNC to undertake the FDI. Different locations possess unique advantages, but the location specific advantages can be divided into economic, political, and social advantages. The internalization advantage (I) leads to a foreign MNC engaging in FDI rather than offering the rights under export, license or franchise. It is the ability of the MNC to own, control, and manages activities in two or more countries. The internalization advantage becomes apparent due to the market imperfections, which lead to uncertainties in market transactions. Uncertainties increase transaction costs and even more so for international transactions as two or more nations are involved. The transaction costs with external parties become even higher due to the inefficient enforcement of laws and regulations or such laws function poorly. FDI mitigates against the uncertainties through internalization, which replaces external market relationships with in-house relationships. Internalization reduces transactions costs and increase efficiencies as the trade and operations of the once independent firms from two nations are now controlled, managed and operated by the same MNC, thus internationalization advantage is achieved (Dunning, 1977). PESTEL analysis stands for "Political, Economic, Social, Technological, Environmental, and Legal", is a framework used to analyse the macro-environmental factors that may have a profound impact on an organization's performance (Anonymous, 2016). It is essential to conduct PESTEL analysis in the FDI decision-making process because all of factors are basic information need to be considered before conducting FDI in the host country.

Boonlua (2011). combined the Dunning's OLI and the PESTEL analysis to conduct a comparative analysis of the US and Japan FDI in Thailand, aimed to compare the different determinants to influence the decision to invest in Thailand by firms from US and Japan. The results from the research suggest that most of the factors are significantly and strongly correlated to the FDI in Thailand. The positive and significant correlation of all factors with FDI indicates that the improvement in all factors will lead to an improvement in FDI by these two countries in Thailand. The most important factors for Japanese investors and US are the location and market factors such as infrastructure, access to physical infrastructure, technology development, and cost of transportation and labor. Moreover, the market with access to raw materials including human resources, technology availability and innovative capacities are significant factors. It implies that the US and Japan FDI in Thailand is resource-seeking as the firms are highly focused on technology, labor, logistics, and raw materials. In addition, the empirical results on the determinants of the US FDI in Thailand found that the social and cultural factors are the second most significant determinant while this is the least significant factor for Japanese firms. Thailand and the US have vast differences in social and cultural norms while Thailand and Japan's are quite similar. The social and cultural factors play a role in communicating and understanding local workers and avoiding conflicts. Political factors such as the country's image, government stability, tax reduction and concession, tax exemption, and taxation are one of the key determinants of Japanese FDI in Thailand. The image and trustworthiness of the host country and the steadiness of the taxation policies are seen as major determinants for Japanese FDI into Thailand. The least significant factor US FDI in Thailand is the political and government regulations. It implies that the US FDI considers the operating system within the firms more than the external factors while Japanese investors closely considers the external effects more than the internal environment of the firm.

Likewise, Huang et al. (2014). applied the model to conduct a similar independent study titled, "Factors influencing Chinese firms' decision-making on Foreign Direct Investment in Thailand". The researchers concluded that there are only two factors: location and social factors that have positive and significant correlation with Chinese FDI in Thailand. In addition, the researcher also concluded that no factor has predictive power on Chinese FDI. The findings indicated that investment motivations and Chinese cultural context played a very important role to influence Chinese decision-makers in FDI in Thailand. Some external factors in the host country have lesser weight than the internal factors to influence the decision of Chinese investors.

Research Methodology

Conceptual Framework

The conceptual framework of this study is mainly based on a combination of Dunning's OLI and the PESTEL analysis. The Eclectic Paradigm focuses on the OLI advantages or the internal advantages of the Thai firms investing in Myanmar while the PESTEL framework focuses on the investment climate or the external business environment of Myanmar. A total of 9 variables are present through the combination of these two frameworks. In this study the researcher mainly focuses on the "location specific advantage of host country" as an external factor to impact the decision-making of Thai firms when they are conducting FDI in Myanmar. Thus, the OLI advantages of the firm are embedded in the investment climate of the host country. Thereby, the integrated conceptual framework is FDI in Myanmar equals the summation of political factors (PF), government factors (GF), location factors (LF), market factors (MF), social factors (SF), and financial factors (FF). The model is : FDI=PF+GF+LF+MF+SF+FF

The objectives of this study are explored utilizing quantitative and causal research. Data was collected from group of Thai firms listed in Stock Exchange of Thailand (SET) and Market for Alternative Investment (mai) in order to explore the factors that have influence on the decision to undertake FDI in Myanmar. There were total 704 listed companies (545 in SET and 159 in mai) at the end of 2018. Questionnaires were distributed to 100 Thai listed companies who have explicitly expressed interest to invest in Myanmar after initial contact and 84 questionnaires were responded for the analysis.

Data Collection and Measures

The questionnaire comprised of three sections. Section I aims to obtain general company information of the respondents including the type of company, primary industry classification, size of firm, motivation for FDI, and sources of information about investing in Myanmar. Section II surveys the respondents with the factors influencing their respective firms of FDI in Myanmar. Section III surveys the respondents with likelihood of investing in Myanmar under present conditions. In section II and III, the five-point-Likert scale was used to measure the degree of importance of each variable and the likelihood of investment by the Thai listed firms. The interval scale is needed to analyze the descriptive statistic results. The descriptive statistics from the questionnaires regarding the importance degree of each factor and the likelihood of investment can be interpreted as presented in the table below.

Table 1 : Interpretation of the Likert Scale

Mean	Importance degree	Likelihood
4.21-5.00	Most important	Most likely
3.41-4.20	More important	More likely
2.61-3.40	Important	Likely
1.81-2.60	Less important	Less likely
1.00-1.80	Least important	Least likely

Independent Variables

The independent variables consist of 36 variables derived from the 6 factors : political, government, location, market, social, and financial factors. The 36 variables derived from the 6 factors related to the investment climate of Myanmar are as follows:

1. PF (Political factors) : 1) political stability, 2) government transparency, 3) openness of the country/sanctions, 4) work efficiency of government, 5) government stability, and 6) FDI policies continuity

2. GF (Government factors) : 1) FDI incentives, 2) law enforcement and administration, 3) foreign equity restrictions, 4) land ownership of foreign entities, 5) company registration process, and 6) visa and work permit process

3. LF (Location factors) : 1) abundance of natural resources, 2) strategic location, 3) infrastructure, 4) Special Economic Zones (SEZ), 5) communication and IT networks, and 6) promoted areas for factories

4. MF (Market factors) : 1) market size, 2) market growth potential, 3) openness of the market, 4) cost-effective labor force, 5) supply of raw materials, and 6) favorable market competition

5. SF (Social factors) : 1) harmonious society, 2) reputation for safety, 3) liberty of beliefs, 4) educational level of labor force, 5) health-care and school conditions, and 6) living conditions of expatriates

6. FF (Financial factors) : 1) stability of exchange rate, 2) levels of interest rate, 3) levels of inflation rate 4) accessibility to capital markets, 5) banking system, and 6) low cost of doing business.

These 6 factors are predicted to have positive and significant influence on the depend variable.

Dependent Variable

The dependent variable of this study is the likelihood of investment in Myanmar by Thai firms. This variable is predicted to be influenced in part or in whole by the independent variables.

Data Analysis

All primary data from the completed questionnaires were compiled and the data analysis was done through Microsoft Excel to determine descriptive statistics which consisted of frequency, percentage, mean, and standard deviation that were used to report information about company profiles.The researcher also used inferential statistics; multiple regression and correlation analysis to identity which factors from the conceptual framework have a positive and significant influence on the of Thai firms' FDI decision in Myanmar. Sections II and III had been tested for reliability by using the pre-test method with a sample size of 20. The coefficient of reliability of Cronbach's alpha of 0.928 meant the questionnaire is internally consistent and reliable. From the sample of 84 Thai companies, the research findings were concluded and classified into 3 sections.

Section 1 : General company information of respondents and sources of information

The first section of the questionnaire surveyed the respondents on the general company information (the type of firm, Industry classification, size and scale of firm, the motivation) and sources of information utilized by the Thai firms to become aware of the investment opportunities in Myanmar. The details of such information are shown in the table II below:

Table 2 : Numbers and Percentages of the respondent's general information and sources of information) (n=84)

1. Industry Classification

Industry Classification	Number	Percentages (%)
Oil and gas	1	1.2
Power	3	3.6
Mining	1	1.2
Hotel and tourism	14	16.7
Manufacturing	27	32.1
Real estate	6	7.1
Industrial estate	2	2.4
Agriculture	4	4.8
Tran sport and communication	3	3.6
Livestock and fisheries	2	2.4
Other	21	25.0
	84	100.0

2. Size and Scale of Firm

Annual Revenue (million THB)	Number	Percentages (%)
Less than 1,000	34	40.5
1,000-9,999 THB	24	28.6
More than 10,000 THB	26	31.0
	84	100.0

Number of Employees	Number	Percentages (%)
Less than 1,000 person	48	57.1

3. Motivation

Motivation for FDI	Number	Percentages
Market seeking	30	35.7
Natural resource seeking	5	6.0
Efficiency seeking	14	16.7
Export seeking	5	6.0
Competitive advantage seeking	26	31.0
Other	4	4.8
	84	100.0

4. Sources of Information

Sources of Information	Number	Percentages (%)
Internet	40	20.4
Personal Connection	55	28.1
Investment agencies / services	16	8.2
Embassy of the republic of the Union of Myanmar	27	13.8
Government offices	32	16.3
Advertisements	5	2.6
Conferences / Seminars	15	7.7
Other	6	3.1
Total	196	100.0

The top three motivators were market seeking 30 (35.7%), competitive advantage seeking 26 (31.0%), and efficiency seeking 14 (16.7%). There were 196 sources of information as responded by 83 Thai firms, an average of 2.2 sources per respondent. The most used sources of information were personal connections 55 (28.1%), internet 40 (20.4%), government offices 32 (16.3%), and the Embassy 27 (13.8%).

Section 2 : Mean and standard deviation of all variables

As stated in previous section, 36 independent variables used in this study are derived from 6 factors: 1) political factors (PF), 2) government factors (GF), 3) location factors (LF), 4) market factors (MF), 5) social factors (SF), and 6) financial factors (FF). The dependent variable is the likelihood of FDI in Myanmar by Thai firms, based on the 36 independent variables.

Table 3 : Mean, standard deviation, and degree of importance of PF (n = 84)

Political Factors	Mean	Std. Deviation	Degree of Importance
Political Stability	4.26	0.79	Most important
Government transparency	3.89	0.88	More important
Openness of country/sanctions	4.11	0.71	More important
Work efficiency of government	3.63	0.85	More important
Government stability	3.85	0.81	More important
FDI policies continuity	3.92	0.85	More important
Political factors (PF)	**3.97**	**0.78**	**More important**

According to the statistical analysis in table 3, the political factors (PF) has a degree of importance of "more important" with a mean of 3.97 (SD= 0.78). The results also showed that political stability was the most important political factors with a mean of 4.26 (SD=0.79), while work efficiency of the government had the lowest average scores with a mean of 3.63 (SD=0.85).

Table 4 : Mean, standard deviation, and degree of importance of GF (n = 84)

Government Factors	Mean	Std. Deviation	Degree of Importance
FDI incentives	3.95	0.79	More important
Law enforcement	3.85	0.72	More important
Foreign equity restriction	3.83	0.83	More important
Land ownership of foreign entities	3.71	0.96	More important
Company registration process	3.46	0.81	More important
Visa and work permit	3.57	0.84	More important
Government Factors (GF)	**3.73**	**0.84**	**More important**

Table 4 showed the government factors (GF) has a degree of importance of "more important" with a mean of 3.73 (SD= 0.84). The results also showed that FDI incentives was the most important government factors with a mean of 3.95 (SD=0.79), while the company registration process had the lowest average scores with a mean of 3.46 (SD=0.81).

Table 5 : Mean, standard deviation, and degree of importance of LF (n = 84)

Location Factors	Mean	Std. Deviation	Degree of Importance
Abudance of natural resrouces	3.20	1.02	Important
Strategic location	3.98	0.78	More important
Infrastructure	4.08	0.75	More important
Special Economic Zones	3.40	0.79	Important
Communication and IT networks	3.81	0.78	More important
Promoted areas for factories	3.44	0.97	More important
Location Factors (LF)	**3.65**	**0.91**	**More important**

According to table 5, the location factors (LF) has a degree of importance of "more important" with a mean of 3.65 (SD= 0.91). The results also showed that infrastructure was the most important location factors with a mean of 4.08 (SD=0.75), while the abundance of natural resources had the lowest average scores with a mean of 3.20 (SD=1.02).

Table 6 : Mean, standard deviation, and degree of importance of MF (n = 84)

Market Factors	Mean	Std. Deviation	Degree of Importance
Market size	4.00	0.81	More important
Market growth potential	4.30	0.72	Most important
Openess of market	4.10	0.75	More important
Cost effective labor force	3.57	0.88	More important
Supply of raw materials	3.30	1.03	Important
Favorable market competition	3.90	0.79	More important
Market Factors (MF)	**3.86**	**0.90**	**More important**

According to the results showed in table 6, the market factors (MF) has a degree of importance of "more important" with a mean of 3.86 (SD= 0.90). The results also showed that market growth potential was the most important market factors with a mean of 4.30 (SD=0.72), while the supply of raw materials had the lowest average scores with a mean of 3.30 (SD=1.03).

Table 7 : Mean, standard deviation, and degree of importance of SF (n = 84)

Social Factors	Mean	Std. Deviation	Degree of Importance
Harmonious society	3.54	0.90	More important
Reputation for safety	3.95	0.77	More important
Liberty of beliefs	3.57	0.90	More important
Educational level of labor force	3.51	0.83	More important
Healthcare and school conditions	3.48	0.83	More important
Living conditions of expats	3.92	0.75	More important
Social Factors (SF)	**3.66**	**0.85**	**More important**

Table 7 showed social factors (SF) has a degree of importance of "more important" with a mean of 3.66 (SD= 0.85). The results also showed that reputation for safety was the most important social factors with a mean of 3.95 (SD=0.77), while the healthcare and school conditions had the lowest average scores with a mean of 3.48 (SD=0.83).

Table 8 : Mean, standard deviation, and degree of importance of FF (n = 84)

Financial Factors	Mean	Std. Deviation	Degree of Importance
Exchange rate stability	4.13	0.77	More important
Levels of interest rate	3.73	0.83	More important
Levels of inflation rate	3.76	0.77	More important
Accessibility to capital markets	3.58	0.87	More important
Banking system	4.07	0.71	More important
Low cost of doing business	3.90	0.72	More important
Financial Factors (FF)	**3.86**	**0.80**	**More important**

According to the statistical analysis in table 8, financial factors (FF) has a degree of importance of "more important" with a mean of 3.86 (SD= 0.80). The results also showed that exchange rate stability was the most important financial factors with a mean of 4.13 (SD=0.77), while the accessibility to capital markets had the lowest average scores with a mean of 3.58 (SD=0.87).

Table 9 : Mean, standard deviation, and degree of likelihood (n = 84)

	Mean	Std. Deviation	Degree of likelihood
Likelihood of FDI	3.55	1.03	More likely

From the above table, the likelihood of investment in Myanmar by Thai firms had an average score of 3.55 (SD=1.03), with the degree of likelihood of "more likely" but the opinions are spread out as 13 over 84 respondents selected less and least likely of investing in Myanmar.

Table 10 : Summary of descriptive statistics (n = 84)

6 factors	Mean	Std. Deviation	Degree of importance/Likelihood
Political factors (PF)	3.96	0.78	More important
Government Factors (GF)	3.73	0.84	More important
Location Factors (LF)	3.65	0.91	More important
Market Factors (MF)	3.86	0.90	More important
Social Factors (SF)	3.66	0.85	More important
Financial Factors (FF)	3.86	0.80	More important
Likelihood of FDI	**3.55**	**1.03**	**More likely**

The table above is a statistical summary of the 6 factors and the likelihood of Thai FDI in Myanmar. The political factor has the highest mean of 3.96 (SD=0.78), while location factors has the lowest mean of 3.65 (SD=0.91). However, all the factors are in the "more important" range, according to the intervals in the degree of importance. In addition, the likelihood of investment in Myanmar resulted in "more likely" range, according to the intervals in the degree of likelihood, with the mean of 3.55 (SD=1.03).

Section 3 : Correlation and Multiple Regression coefficients

This section fulfills the first objective of the study, to determine the influential factors that have significant effect on Thai listed firms' decision to undertake FDI in Myanmar. Therefore, the researcher predicted that the 6 factors (political, government, location, market, social, and financial factors) have positive and significant correlation with Thai FDI in Myanmar and these 6 factors will be a significant predictor of Thai FDI in Myanmar.

Table 11 indicates the correlation coefficients between the 36 independent variables from the 6 factors with Thai FDI in Myanmar as a dependent variable. The analysis results suggest that 4 factors: location factor (ρ=0.216), market factor (ρ=0.210), social factor (ρ=0.218), and financial factor (ρ=0.225), have a positive correlation at the 0.05 level of significance. It is also notable that the independent variables have a strong correlation with each other.

Table 11 : Summary of correlation among the variables (n = 84)

Pearson's Correlation (ρ)	*PF*	*GF*	*LF*	*MF*	*SF*	*FF*	*FDI*
PF	1						
GF	0.631	1					
LF	0.584	0.682	1				
MF	0.546	0.562	0.559	1			
SF	0.560	0.519	0.608	0.6357	1		
FF	0.483	0.476	0.434	0.6937	0.585	1	
FDI	0.054	0.018	**0.216**	**0.210**	**0.218**	**0.225**	1

Note: Correlation is significant at the 0.05 level (2-tailed)

Table 12 : Summary of regression coefficients (n = 84)

	Beta	*Standard Error*
FDI (Constant)	1.583	0.963
PF	**-0.228**	0.269
GF	**-0.509**	0.277
LF	**0.642**	0.340
MF	0.157	0.288
SF	0.153	0.251
FF	**0.324**	0.285

From the analysis results of the above table 12 showed that location factors and financial factors have a significant influence on Thai FDI in Myanmar. The political and government factors have a negative beta but since the political and government factors do not have a positive correlation with FDI, they do not have a significant influence on Thai FDI in Myanmar.

Conclusion and Discussion

This study concluded that location, market, social, and financial factors have a significant and positive influence on Thai listed firms' FDI decision in Myanmar, while the location and financial factors are strong predictors on Thai listed firms' FDI decision in Myanmar. The result infers that Thai listed firms' FDI in Myanmar will increase if the Myanmar government improves the location, market, social, and financial factors. However, the improvement in political and government factors will not have a direct correlation. There are several reasons to explain the 4 factors have significant influence on Thai FDI, while the other two factors do not. They are as follows:

FDI motivation of Thai listed firms : Based on the responses of the questionnaire, the primary motivations for Thai firms are market seeking (35.7%), competitive advantage seeking (31.0%), and efficiency seeking (16.7%). Because of the FDI motivations, firms are more likely to explore the 4 significant factors, whereas, if the firms were natural resource seeking or export seeking, the other factors may be more correlated since it would be driven by political stability and regulation in the respective sectors.

Outlook of the political reforms in Myanmar : The political and government situation in Myanmar has been constantly changing since the start of the reforms in 2011. The international communities, including Thai listed firms, have seen a drastic improvement in the political and government environments of Myanmar. Based on the current progress, along with the on-going reforms, Thai listed firms have a positive outlook on Myanmar's FDI environment, and therefore the importance of these factors does not have a significant correlation with FDI.

First mover advantage : Myanmar is one of the top investment destinations in ASEAN. There is a substantial market and vast opportunities to be captured in the country. Thai listed firms have taken the initiative to invest since the beginning of the reforms, and continue to do so without high consideration of political and government factors. By becoming the first movers, Thai listed firms' decision to undertake higher risks are rationalized by higher returns.

In addition to the significant and positive correlation between these 4 factors and FDI, the results from the stepwise multiple regression analysis suggests that the location and financial factors could be a predictor of Thai FDI in Myanmar. The inference is that a change in these two factors will directly affect magnitude of Thai FDI in Myanmar. Both factors are considered insufficient in Myanmar due to the weaknesses in infrastructure and a stunt banking system. The improvement in these two areas will drastically increase the magnitude of FDI by Thai listed firms in Myanmar.

Recommendation

Recommendations are given for Myanmar government authorities and policy makers in order to improve Myanmar's investment climate with the intention to maintain existing Thai FDI and attract more potential investors from Thailand. The MIC of Myanmar, along with other Ministries, plays an important role to promote FDI in the country.

● Establish MIC offices and investment promotion agencies in Thailand: Establishing such organizations can improve the FDI relationship between the two nations as there will be a representative to facilitate the investor's needs. The MIC should also partner with certain government organizations such as the BOI in Thailand, or other business associations to build a better relationship with the entire Thai business community.

● Become the main source of accurate and reliable information for potential investors: Based on the sources of information, 48.5% of Thai investors sought information through personal connections and the internet. There were complains regarding the difficulty of obtaining reliable and accurate information regarding the investment climate in Myanmar. For foreign investors, who have a limited knowledge about Myanmar and the business environment, having access to information is vital to make initial assessments. As the main governmental authority to facilitate foreign investment, MIC should work together with companies, associations, and other government authorities, to prepare and distribute accurate and reliable data to the public on a timely basis.

● Formulate more attractive FDI incentives: Although there are incentives given by the MIC to attract FDI, Thai investors' view that the incentives are not sufficient considering the amount of uncertainties that the firms are undertaking. The MIC incentives are on par with other CLMV countries in the ASEAN but fall short when compared to the incentives given by the Thai BOI.

● Continuous process of amending ineffective regulations: The first FIL was passed in the end of 2012. Since then, there have been amendments through notices by the government. In 2016 the new MIL was enacted. However, the process of amendment should continue to adapt to the changing business environment. The pace of change in the country is fast and the regulations that might be effective at present might not be effective in the future. MIC should be flexible and adapt the laws and regulations according to the changing business environment in Myanmar and the world.

● Increase government to government (G2G) cooperation: Myanmar and Thailand have historically shared good political, social and economic relations. Although the MIC is responsible for the investments, government to government cooperation to improve the business relationship between the two nations will improve the FDI relationship between the two nations as well. A better G2G cooperation can result is even more favorable incentives specific to Thai investors by the MIC, or favorable incentives from the Thai BOI to invest in Myanmar.

● Amend or create laws to meet the demands of investment: The recent influx of foreign investments has exposed the weaknesses of the outdated laws. With the increase in foreign nationals as a result of FDI, laws such as the property ownership laws, immigration laws, and money remittance laws should be amended. Foreign entities and foreign nationals should also receive a higher standard of legal protection from the judicial system.

● Develop infrastructure: Many Thai investors view the location factors of Myanmar to be an important factor due to its strategic location and its proximity with Thailand. However, the infrastructure in Myanmar lags behind modern standards and cannot support the location advantages that Thai firms hope to capitalize. Myanmar's communication, IT, transportation, and utilities need to be overhauled and improved to attract Thai FDI into Myanmar.

● Develop banking system: The banking system is also in need of vast improvements. Myanmar has been a cash-based society as the general population does not have confidence in the banks as some banks were nationalized in the early 1990s. A robust banking system is crucial to facilitate the foreign investments in the country. In addition, financial instruments and capital markets need to be developed to give the investor more options to raise funds and manage various risks.

● Liberalize and develop the education system: Education is the most important aspect to support the development of a country in the long run. The education sector in Myanmar has been tightly controlled under the military regime but is beginning to liberalize recently. The education could be improved by developing universities and vocational schools to provide more opportunities for Myanmar students to obtain a higher education. Especially in the era of ASEAN Economic Community (AEC), Myanmar workers, both skilled and unskilled, will have to compete against others from the ASEAN countries, therefore developing the skills and knowledge to compete are necessary.

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