



Article from : The Nation (Thailand)

Date : February 13, 2008 Wednesday

Exporters must be responsible

Government officials and private exporters yesterday joined in pointing out that EU private enterprises had launched new regulations on **corporate social responsibility** (CSR) for importers and conducting business with trading partners. The requirements focus on fair labour practices, environmental friendliness and animal safety.

EU countries make up one of **Thailand's** top three export markets, accounting for 12.8 per cent of the Kingdom's total exports. If Thai exporters cannot meet EU requirements, exports to this market will be affected.

"Thai enterprises should urgently develop their administrations to meet the requirements," said Trade Negotiations Department deputy director-general Chana Kanaratanadilok. "Although these are not state laws, they are regulations that most private companies in the EU market will be expected to meet." He said the government was not in a position to help Thai private enterprises in the matter, because the CSR regulations had been launched by private companies. He urged Thai enterprises to adapt to market demands.

Thai exporters should also cooperate under industry associations, in order to increase their bargaining power with trading partners and gain a relaxation of any measures regarded as too stringent. Under the CSR requirements, EU firms will try to deal only with companies that practise good corporate governance, use environmentally friendly products and fair labour practices and care about animals. Moreover, they may require their trading partners to establish an activity demonstrating increased social responsibility.

Paiboon Ponsuwanna, chairman of the Federation of Thai Industries' Food Processing Industry Club, said exporters had been trying to develop **corporate social responsibility** in accordance with the new requirements for more than a year. However, small and medium-sized enterprises (SMEs) were finding it difficult, because CSR activities required extra money. "Most large companies have set aside a budget to enhance their images under the CSR requirements, but SMEs face difficulty in developing themselves," he said, adding that the government should help SME's develop **corporate social responsibility** and meet the new EU requirements.

Paiboon also suggested Thai companies be constantly aware of new regulations being introduced by private companies in the EU and other developed markets that tend to require more from their trading partners.

Petchanet Pratuangkrai
The Nation