

Chapter 3

Economic Study Analysis

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I. Value added

For the first time, villagers decorated umbrellas by using bark, late rite and carbon, mixing with resin then they get 2 colors, red and black. The umbrellas that they made are offered to monks in the ceremony. If the umbrellas that they made are over supplied, villagers will deliver them to sell in town. When Bosang umbrellas are getting more famous, villagers intentionally produce them for sell. Then they add paint and design to make umbrellas more beautiful and artful. Making umbrella is not just for household use but it is a major occupation in Bosang village.

Currently umbrellas have more paints and designs. Villagers add more colors in making Sa paper process before passing Sa paper onto umbrella frames. This process makes umbrella much more colorful than red and black. Moreover, villagers add more value with painting on umbrellas that make umbrellas more beautiful and attractive. When tourists visited *Umbrella Making Center 1978 Co., Ltd*, they were able to order their own designs or manuscripts also.

II. Trade Balance

We have found exporting value statistic of handicraft products year 1994-97. Table 3-1 shows that export values of paper umbrellas are 4.5 million baht, 4.8 million baht, 4.4 million baht and 4.5 million baht in 1997, 1996, 1995 and 1994 respectively. Each year there is not much change in export value. However, the export value of paper umbrellas is quite low as compared with other handicraft products. Therefore export value of paper umbrellas has no significant effect on trade balance of the country, comparing to major exporting products such as agricultural products, industrial products. However, from the local economy point of view especially Chiang Mai, exporting value of paper umbrellas has a significant impact on community income and local employment as well.

Table 3-1 : Exporting Value Statistic of Handicraft Products

Unit: Million Baht

Handicrafts	1994	1995	1996	1997
Jewellery	11,749	10,633	10,150	9,168
Leather	7,613	8,004	8,265	8,472
Wood and carved wood	4,910	5,610	5,635	6,512
Ornament	16,544	18,749	19,046	24,663
Wood furniture	5,835	6,630	6,984	8,373
Rattan furniture	331	283	221	219
Silk and products	748	649	649	885
Gold ware	26.9	27.9	32.3	34.5
Silverware	3,899	3,915	4,163	5,918
Basketry	74.7	59.4	62	53.5
Cotton and products	3,091	2,904	2,338	23,742
Artificial flowers and fruits	2,516	2,199	1,667	1,705
Painting and sculpture	38.3	681.7	64.3	56.5
Metal statue	322	300	302	391
Product from pearl oyster, ivory and horn	57	188	457	224
Pottery	4,722	4,703	4,611	5,974
Dolls	996	777	396	527
Lacquer ware	6.9	4	2.9	6.7
Paper umbrellas	4.5	4.4	4.8	4.5
Mat	9.03	7.7	5.04	20.38
Weaved carpet	0.43	0.02	3.32	20.32
Product from stone	0.43	1.82	0.69	13.08
Computers	46.5	4.1	1.1	0.72
Total	63,541	66,335	65,060	96,983

Source: http://www.thaisme.com/export_thai.htm

III. Employment

In the past, it was mainly Chinese merchants from Chiang Mai and the occasional tourists, local and foreign, passing through the Bosang village who visited the shops and bought the umbrellas. Nowadays export orders for the larger sizes are coming in as fast as the umbrella makers of Bosang can turn them out by the tens of thousands every month.

Umbrella Making Center 1978 Co., Ltd, the center of Bosang umbrellas employs 2 types of labor:-1) Full time workers such as officers, salesmen and workers who make umbrellas. 2) Villagers who work at home on a sub-contracting basis. Making umbrellas requires a lot of materials and there are other villagers that make components and supply them to *Umbrella Making Center 1978 Co., Ltd*, such as Tonpao village making Sa papers, Mae Hoi Ngeon village making stems, Tonhan village making umbrella frames etc.

Therefore making umbrella process can generate employment in Chiang Mai. Not only Bosang village, but other nearby villages and also those villages involved in raw materials production and marketing such as bamboo and wood.

IV. Conclusions & Recommendations

Umbrella Making Center 1978 Co., Ltd makes umbrellas majoring for export. Value added is important. It makes umbrellas more attractive. The company can charge higher prices and raise its sales. Exporting umbrellas may not have major impact on the country economy. However, income from exporting umbrellas will effect the community living condition. It generates more revenue and employment in Chiang Mai.

The company focuses on international market. Sometimes situations outside the country may be unstable. Such as religion war, natural disaster etc. Therefore the company should consider more about domestic market. The company should publicize the profitable and interesting of products to increase demand for domestic market. Moreover, the company should cooperate with the intermediaries to create new market also.