

## Report on Participation in [2013 Thailand Field Research Field Trip]

ZHANG Dongyang  
M2 (as of August 2013)  
East Asia Course  
Graduate School of Economics

### 1. Academic Outcomes

#### ----Understanding the Thailand Economy growth and the crisis

In this field research trip, I took part in a lot of lectures, for the academic aspect, I would love to share the Thailand economy situation that I did research on. Thailand economy performs very well in recent years. In the process of economy developing, it shows its own characteristics. Such as coping the sudden crisis in the process of economy developing, the existence of inflation, and the unbalance of the demand-side and supply-side of the economy growth. Also for the financial industry and commercial mode, Thailand has somewhere special and interesting, which needs to be discussed. Although Thailand is also one of the Asian countries, compared to Japan and China, South Korea, it is quite different. It is valuable and meaningful to understand the developing environment and situation in Thailand.

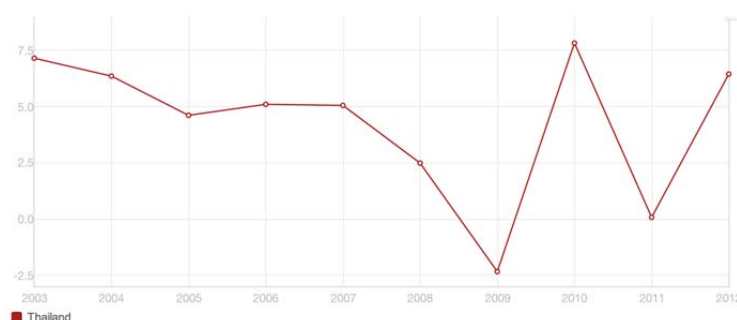


Figure 1. Thailand Economy Growth

Data Source: World Bank Website

Thailand economy has developed quickly, but we could find that in this process, Thailand economy experienced twice bottoms, The economy rebounded in 2009 from the financial crisis, and the growth rate got down to -2.5%, in 2011 from flooding that swamped industrial estates, farmland, and parts of the capital Bangkok in late 2011. GDP rose by 6.4% in 2012 compared with just 0.1% in the previous year (Figure 1).

Under the high speed economy development, the sudden crisis still should give shock to the nation's economy, and Thailand's ability to cope the crisis are shown to be weak, because the whole economy is easy to be shocked.

Private consumption increased by 6.6% to contribute about half of total GDP growth. Consumption was stimulated by demand to replace household items after the floods and by several government policies. These included increases in minimum wages by up to 40% in seven provinces and in public service salaries, a tax rebate to first-time buyers of domestically made cars, which some 1.2 million car buyers took advantage of, tax breaks for first-time buyers of houses, and a government decision to buy unmilled rice from farmers at prices well above international levels.

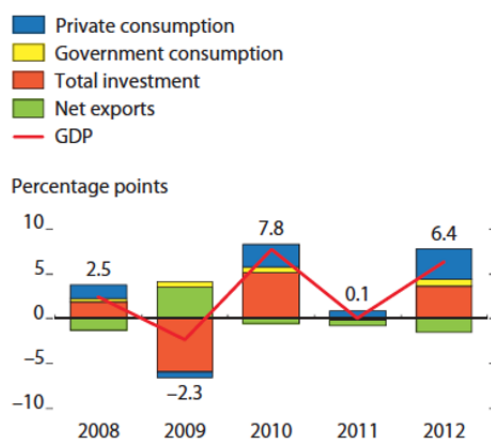


Figure 2 Demand-side contributions to growth

Data Source: National Economic and Social Development Board.

Growth in employment and wages supported consumption, as average wages rose by 11.8% and employment by 1.2%. The unemployment rate fell to just 0.5% by year-end. Fixed capital investment rose by 13.3%, propelled by the reconstruction of flood-damaged factories, houses, and other infrastructure and the replacement of capital equipment. Public construction was spurred by the building of mass rapid transit projects in Bangkok and mobile telecommunications networks.

However, external demand weakened last year due to sagging economic growth in major markets and disruption to export-oriented manufacturing caused by the floods. Net exports of goods and services acted as a drag on GDP growth. Makers of computers, hard drives, and semiconductors took several months to rebuild and replace equipment. Car and truck production jumped by 72%, reflecting the low base caused by the 2011 floods and additional demand stimulated by the rebate for first-car buyers. Manufacturing production rose by 7.0%, and the industry sector as a whole contributed 3.4 percentage points to GDP growth, the biggest sector contribution from the supply side (Figure 3).

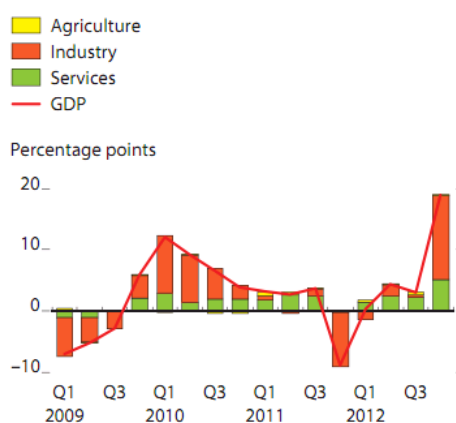


Figure 3. Supply-side contributions to growth

Data Source: National Economic and Social Development Board.

The service sector grew by 5.8% and was also an important source of GDP growth. A 16% rise in tourist arrivals, to 22.3 million, contributed to 8.8% growth in the hotels and restaurants subsector. Financial services grew by 6.6%, with insurance benefiting from buoyant auto sales. Agricultural output increased by 3.1% with higher output of rice, cassava, natural rubber, and oil palm.

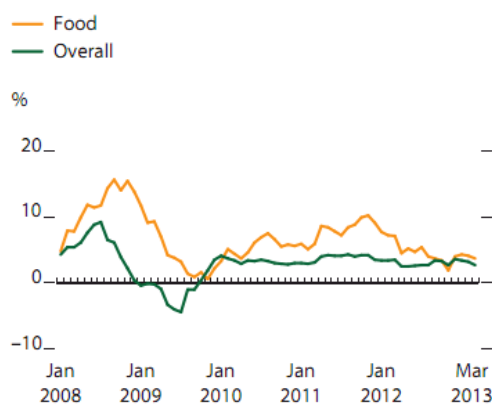


Figure 4. Monthly inflation

Sources: CEIC Data Company; Bureau of Trade and Economic Indices.

Food price inflation eased and fuel prices were fairly stable. Despite picking up in the fourth quarter because of an increase in electricity tariffs and higher excise taxes on alcohol and tobacco, inflation for 2012 was the lowest in 3 years (Figure 4).

## 2. Experiences in Thailand

After having traveled through Thailand for 12 days, I've seen and learnt quite a few things – not just about the country, but also about the Thai people.

(1) They always give you the warmest, friendliest smile – if you smile first.

Thai people are often incredibly friendly, and many do smile at you on the street. But most of the times, they look at you, and if your eyes meet and you smile, then they smile back right away.

(2) No matter how early you get up in the morning, most of them will already be awake and working.

It's true, I'm an early bird, but no matter when I get up, it feels like the city has been awake for just slightly longer than me. People are already in their shops, at the market or on a moped. The young girls have their hair curled and the middle-aged ladies have already put that same bright pink color lipstick on. It's not that the city never sleeps, but it seems to be a never sleep world.

(3) Buddhism is a symbol of Thai culture.

Thailand is nearly 94%-95% Theravada Buddhist. Theravada Buddhist is supported and overseen by the government, with monks receiving a number of government benefits, such as free use of the public transportation infrastructure. Buddhism in Thailand is strongly influenced by traditional beliefs regarding ancestral and natural spirits, which have been incorporated into Buddhist cosmology. Most Thai people own spirit houses, miniature wooden houses in which they believe household spirits live. They present offerings of food and drink to these spirits to keep them happy. If these spirits aren't happy, it is believed that they will inhabit the larger household of the Thai, and cause chaos. These spirit houses can be found in public places and in the streets of Thailand, where the public make offerings.

(4) Thai people show great respect for their king.

In Thailand, most celebrations are associated with the Buddhism or other religions, among which the most important secular holidays are related to the monarchy. Such celebrations include Chakkri Day (6 April), commemorating Rama I, the founder of the Chakri Dynasty; Coronation Day (5 May), commemorating the coronation of the current king; the Royal Plowing Ceremony (second week in May), an ancient ritual held near the Royal Palace in Bangkok to start the

rice-planting season; the queen's birthday (12 August); Chulalongkorn Day (23 October), held in commemoration of King Chulalongkorn (Rama V); and the current king's birthday (5 December). Other secular celebrations include Constitution Day (10 December) and New Year's Day.

Thai people respect their king so much that they expect visitors to do so too. In Thailand, national anthem is played twice a day (typically at 8am and 6 pm) and also before every film at the cinema. Everyone is expected to stand whilst it is playing. Anyone including travelers should never insult or joke about the king or royal family.



### 3. The content of the program

(1) The first part of our program, the directors arranged a lot of lectures for us, such as "Society and Culture of Thailand", "Politics and Security of Thailand", "Situation of Japanese Companies in Thailand" and "Thai Economy", and these lectures could help us learn Thailand's culture, history and economy very well from the academic aspect.

(2) The second part of our program, it was also very interesting that we took part in some field trips such as "Study Tour on Thai Culture: Grand Palace & the Temple of Emerald Buddha", "Study Tour on Thai Politics: The Parliament House of Thailand" and "Study Tour to AC Foods' contract farmers (edamame soybeans producers, farmers' group leaders, and local managers) + local market", which supplied some very good chance for us to understand the history and famous places, and their politics, also how their farmers live and work by face to face, and we could get the true and core parts of Thai.

(3) The third part of our program is the academic communication with Thammasat University students. We can change our own research and understand each other's culture and research better and better. International understanding performed its importance again in my life.

### 4. The impact of the program in my career plans

Through this field research trip in Thailand, it broadened my global perspective, and international communication once again had a profound impact on my career plan.

First, it gives me more experience in international exchanges and increases my experience in communicating with foreigners, and enhances my personal abilities. It is quite useful for my career life.

Second, I would like to work in Thailand, if in my future career life working experience exists. I begin to like the Thai people, Thai food and their culture, so it could make my career life width and wonderful.

### References

[1] Economic trends and prospects in developing Asia: Southeast Asia, Thailand.

Asian Development Outlook 2013: Asia's Energy Challenge[M], 2013.4.

[2] National Economic and Social Development Board.

<http://www.nesdb.go.th> (accessed 11 March 2013).

[3] National Economic and Social Development Board.

<http://www.nesdb.go.th> (accessed 11 March 2013).

[4] CEIC Data Company; Bureau of Trade and

Economic Indices. <http://www.price.moc.go.th> (both accessed 2 April 2013).