

**ID 6004820012**

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**Part3 : Reaction essay on Ajarn Pariwat Kanithasen session**

**24/06/2020**

ASEAN economic integration in Theory and Practice

This session is really interesting since the guest speaker is from the bank of thailand. I'm so glad to know Ajarn Pariwat and to learn more about Asean economic integration.

Firstly, we get to know about the four freedoms about economic integration. That its element is starting from free movement of goods to free movements of services and investment then free movements of labour, and to the free movements of capital. We also get to know about levels of economic integration which the lowest one starts from free trade up to custom union, common market, economic union, and then the highest one is political union. AEC blueprint which has 4 elements in it including single market production base, competitive economic region, equitable economic development, and integration into the global economy. AEC Vs ASEANs diversity, AEC work in process by moving slowly but for diversity is flexible and loose integration. And the world's most diverse economic bloc elements have population and markets, income, development stages, economic infrastructure.

Secondly, elements of the Asean economic community have 4 pillars. Pillar one is the single market and production base, pillar two is the competitive economic region, pillar three is the equitable economic development, and fourth pillar is about the integration into the global economy. AEC goods, with the connectivity and streamlined custom procedures caused the greater trade facilitation. The advantage of more trade with our ASEAN plus 6 dialogue partners with FTAs and the rest of the world. Since the tariffs are virtually decreasing and non tariffs are increasing over time. AEC service an investment within the uneven liberalisation of service by many countries same like malaysia, singapore, indonesia, and phillipine got has higher foriegn equity ownership service sectors than others countries in Asia. Since investment liberalization is also uneven like Indonesia got FDI index 0.324 and Malaysia got 0.212, Philipine got 0.425, Singapore got 0.047 and Thailand 0.291. Intra ASEAN FDI is 18% higher than Intra ASEAN service that has only 16%.

AEC labor abilities. Most of them are non professionals so they get a low income that is why most of Europe enjoy moving their industries to set up in Asia with the low spending on both labour wage and pay less tax when they ship it to other countries in the world. Within AEC capital the freer flows of capital implies gradual capital account liberalisation with the different capital account regimes.

Thirdly, the trade condition. Thailand traded a lot with Lao PDR, for export and import was increasing over time. And there are many interesting things like trade that are generally zero, non tariff barriers and facilitation. The FIs for CLMVs workers in Thailand are also a big sector for

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us to learn. Same like the interoperable QR code for payment that makes their life get more convincing and also makes FDI growth due to FIs growth within the cross border currency.

In conclusion, within this session we get a lot of new knowledge and found out many interesting sectors by CLMV workers like we can create and develop more FIs to make these kinds of financial sectors grow. The benefit of FTA within ASEAN members and CLMV workers is also the main element that attracts FDI to invest due to less spending on labor wage, low tax on transportation sector and big land space with the cheaper value of rental.

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**Part 4 : Ajarn Kiriya Reaction essay**

**28/06/2020**

Covid, Labour and CLMVT

This session is really interesting for me because it is the common issue that everyone is concerned about and pays much attention to since it is the newest crisis related to health effects and trade issues all over the world not only for some countries.

First of all is the problem about the economic downturn that got impact from Covid 19 all around the world. The different between another financial crisis and Covid 19 crisis, since another crisis same like hamburger crisis affect much on some countries in Europe and not that much in Asia but for Covid 19 every countries face to lockdown, international trade get stuck, foreign direct investment got worth, and government need to trade off between citizen's health and crisis. And this is much bigger than another crisis effect, it also has faster speed and deeper drop in economic activity and it is not gonna recover soon. Called "Omega shape recovery". A lot of unemployment workers in this Covid 19 period by freelance got dumped, a lot of working contracts were canceled and many companies got bankrupt so they laid off their laborers. Unemployment rate growth and the government need to come and subsidies to those workers to prevent with the another issue that can happen by this issue like more thieves or more economic downturn by everyone spending less and saving more.

Secondly, the inequality affected of Covid 19 on the economic sectors. By the research they divide it into five levels. The most impact sector will be the whole sale, some kind of motorcycle repair, accommodation, food services, real estate group that we judge it highly affected. In the medium high are transportation, communication, and some kind of entertainment industries. For mediums affected are mining, financial, and some kinds of construction. Low medium is agriculture, forestry and fishing. Low affected are utilities, human health, education, and some kinds of social work activities.

Thirdly, the impact on migrant workers and countries respon in Thailand. There are many outflow workers from CLMVs countries back to their countries while the Thai government has not made official statistics available. Within this big amount of labours who went back to their country booth register and undocumented migrant workers due to the borders close and company back to reopen, it is such as a big trouble that domestic labour force cannot fullfill with what the industries need to run their business and they still can not do anything due to this issues. In this case, it is showing that we really need them so much. One more thing new experience takes is the policy that we need to create with our mother land to cooperate with us to solve these issues together.

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One more thing within this session, I do get a lot of new information and knowledge from the guest speaker within this issue also the new experience from this new crisis and its impact on the world. I do agree with classmate ideas during the class but not all of it. Same like the idea that government should pay less than 5000 baht per person but giving for more people not only for some group but this ideas won't help much because if this policy pop up it will be more budget on government spending or less efficient due to more supply but less efficiency since some of them cannot aapt with their budget if it is too small to handle their living more than that our government budget have their own limit too. One more idea is from another guest speaker, it is about the airfare problem due to the less passengers on the plan to prevent covid 19 so they cut the amount of passengers but increasing the airfare within this issue will cause travelers to travel less and distance will be the problem for traveling. She said that this will lead to get more quality of travelers since those kind of group who can travel will be the richer group they will corporate more with the Covid 19 prevention required but I don't think so since those kind of group will not likely to caused local sellers or local attraction places to re run most of them are a group of businessman so they might be the group that can travel abroad and also bring more risk of the Covid 19 back to the countries one more things although they are in a group of high spending but it won't be substitute to local travelers that have bigger amount if we compare to them.

In conclusion, this covid 19 brings a lot of bad effect to the world especially is world economics crisis also the biggest thing that we regret is human resource since many many people died during thing bad crisis but within the bad time we also can find a little good thing like this new crisis teach us about to prevent for the future issue that can happen all the time , world climate change that getting better while everyone stay at home, also human back to pay more attention on their health care, many new interesting online market to adapt and involved .