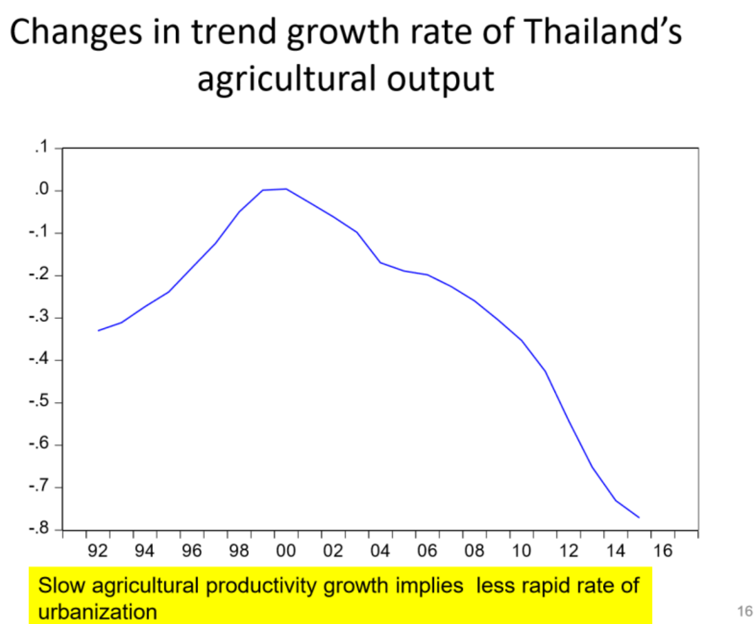
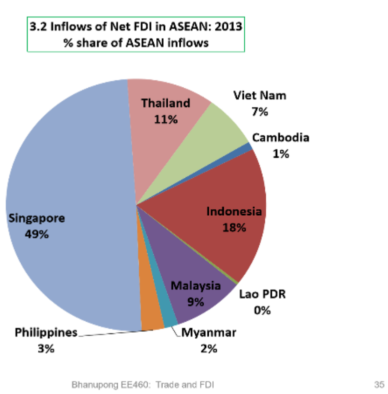
Review questions for the final exam: December 3, 2020

Credits to Kittitat

1. What do you make out of the figure below?



2. Does the strong Thai baht help or hurt Thai farmers?
3. How does the productivity growth of agricultural sector contribute to the wealth of Thailand?
4. Did the minimum wage hike (300 baht) result in the reduction of Thailand's world market shares in appare?
5. Compare and contrast four industries on how they cope with the covid-19?
6. What's your take on this? (Use the below figure in 2019-> take a look at Patiphan's midnight economist)



7. Explain firms' relocation activity based on FDI determinant theory?

Factors affecting FDI

- Repatriation of profits
- Economy and market size
- *Risks and uncertainties*
- *Political stability*
- *Policy consisteny*
- External debt discourages FDI
- Market potential and accessibility
- Product fragmentation
- *The ease of doing business*

Bhanupong EE460: Trade and FDI 52

COMPANIES REPORTEDLY RELOCATING THEIR PRODUCTION BASE SINCE EARLY 2019

Company	Sector	Status/possibility
Quanta Computer	Electronics	Considering feasibility of relocating to Southeast Asian countries
Foxconn	Electronics	Considering feasibility of relocating to Vietnam or back to Taiwan
Compal Electronics	Electronics	Considering feasibility of relocating to Vietnam
Kenda Rubber Industrial	Rubber products	Considering new investment in Vietnam
Samsonite International SA	Bag products	Considering a move out of China
Macy's Inc	Product distribution	Moving production out of China
Fossil Group Inc	Product distribution	Moving production out of China
Nitto Denko	Chemical products	Considering lowering production in China and raising production capacity in other countries
Kobe Steel	Steel products	Considering relocating its factory
Harley-Davidson	Big motorcycle	Building factory in Thailand
Ricoh	Electronics	Expected to move its factory to Thailand in 2019
Delta Electronics	Electronics	Made a conditional voluntary tender offer for all ordinary shares of Delta Electronics Thailand worth US$2.14 billion before production expansion in Thailand
Wistron	Electronics	Considering feasibility of relocating to India
Samsung	Electronics	Considering relocating to India

Source: Compiled by NESDC BANGKOK POST GRAPHICS 53

8. What would be the impact of rebalancing economy in the US and China on the Thai economy?

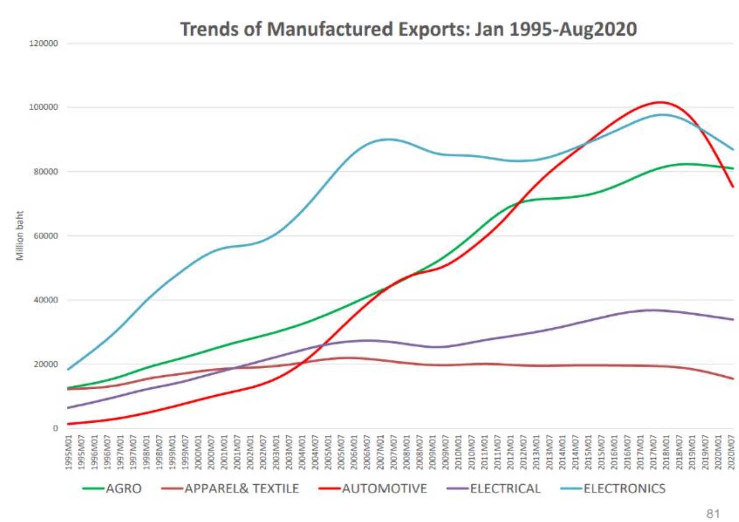
To rebalance the trade disequilibrium between the two countries

$$(M - X) = (I\text{-}S) + (G\text{-}T)$$

For the U.S. to cutdown trade deficit with China, American private and public saving must rise: Reduce domestic consumption and investment, the US government must raise tax and spend less (Lower absorption)

For China to cut down trade surplus with the U.S., China's private and public saving must fall: China must raise domestic consumption and investment (Higher absorption)

9. How can fiscal and monetary policy affect car industry in Thailand?
10. Elucidate



11. What were the consequences of the capital controls imposed in 2006?
12. Evaluate the COVID-19 crisis and the resilience of the Thai Banking Sector.
13. True, False, or Uncertain: The BOT predicts Thai economy will shrink a record 7.8% this year before growing 3.6% next year.
14. What your take on the figure below: (Hint: link with poverty issue or other related issues)