

# Thailand's COVID Crisis Exposes the Reality of 2% Unemployment

**Source:** <https://asia.nikkei.com/login?redirectTo=/Spotlight/Asia-Insight/Thailand-s-COVID-crisis-exposes-the-reality-of-2-unemployment>



Business has stalled for Thailand's famous tuk-tuks. © AP

ASIA INSIGHT

# Thailand's COVID crisis exposes the reality of '2% unemployment'

Official figure masks increasing woes that could add to premier's headaches

MASAYUKI YUDA, Nikkei staff writer

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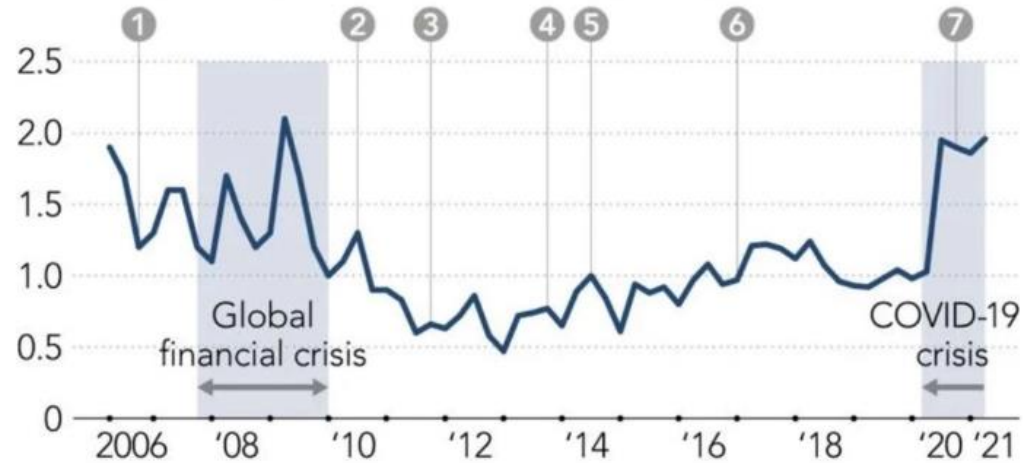


BANGKOK -- Wanchalerm Noomuean yearns for the days he was known on Phuket as tour guide Jimmy, and every month showed hundreds of international visitors around the famous Thai island.

COVID-19 wiped out the 31-year-old's job 15 months ago. While Jimmy remained on Phuket and the Thai government in July started allowing inoculated international visitors onto the island, their numbers are tiny and there is no demand for tour guides. The outlook for Jimmy getting back a job he loved isn't good.

### Thailand's unemployment rate

(Percentage change from a year earlier, quarterly basis)



- ① **September 2006:** Thaksin Shinawatra's government ousted in military coup
- ② **April 2010:** Military clashes with anti-establishment "red shirts," killing dozens
- ③ **August 2011:** Thaksin's sister Yingluck becomes prime minister
- ④ **July 2013:** Pro-establishment "yellow shirts" movement gains steam
- ⑤ **May 2014:** Prayuth Chan-ocha takes power in military coup
- ⑥ **October 2016:** King Bhumibol dies
- ⑦ **July 2020:** Anti-establishment protests emerge

- Using International Labor Organization guidelines -- doesn't consider as unemployed a person who works at least one hour a week.
- Also, more than half of the roughly 38 million in the Thai workforce, are in the informal sector and aren't included in jobless data.
- These factors help keep Thailand's official unemployment rate low -- seemingly unproblematic -- compared with regional peers and developed countries.

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- In May, the official unemployment rate was 3.8% in Singapore, 3.0% in Japan, 5.8 % in the United States and 7.7% in the Philippines.
- According to data from a telecom operator, 1.6 million people moved out from big cities and popular tourist areas and relocated to their hometowns between December 2019 and April 2021.

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An example of the people moving away from tourist spots because of complete loss of business is Rodjana Kachachai, who had operated a T-shirt shop at Bangkok's Chatuchak weekend market. "My shop depended a lot on foreign clients. Now I cannot earn a single penny from selling T-shirts," said the 47-year-old.

Rodjana returned to her hometown of Suphanburi, 100 kilometers northwest of Bangkok. She now runs an organic vegetable farm, which has sales of around 6,000 to 9,000 baht (\$180 to \$270) per month -- a fraction of the 40,000 baht the T-shirt shop generated.



With hundreds of bars shut, Pattaya has changed from party town to ghost town. © Getty Images

Another economic victim of COVID-19 is Nithi, a cocktail waitress at Bar Beer, a Thai-style open-air pub, in the beach town of Pattaya on the Gulf of Thailand. The government saw bars as hotbeds of coronavirus infection, and ordered them to close every time the country faced a rise in cases. Pattaya has gone from party town to ghost town.

"Every pub had several girls to entertain customers, but they all vanished," said the 28-year-old Nithi, who declined to give her last name. She said she gets some income from on-selling goods bought on internet shopping sites, but adds that she gets financial support from a British boyfriend.