

## EE460: Thai Economy

### Open-book exam

Answer only FIVE questions from the total 10 questions. Each question carries 10 points.

1. Explain why the ASEAN business cycle is shaped by volatile China's trade volume. Also analyze the impact of China's slowdown on the Thai economy and discuss why the impact of Thailand is different from other ASEAN members.

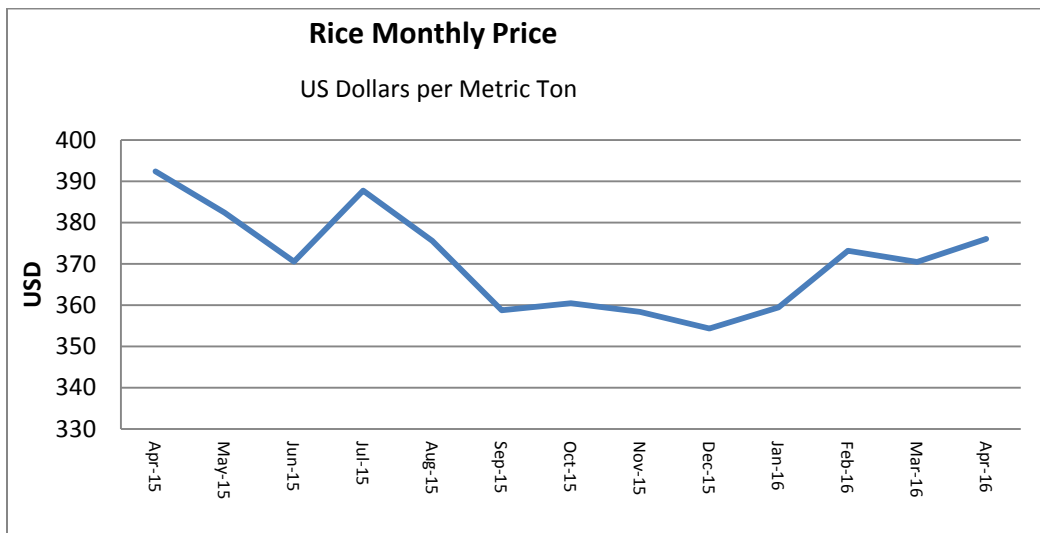
2. "The evidence from the Bank of Thailand's leading indicator points to probability that the Thai economy is heading toward the Minsky moment, in particular when the Fed resumes the normalization policy in third quarter of this year." Agree or disagree? Give reasons.

3. Compare and contrast the following industries: Textile, electronics, automobile, and processed food, in terms of their vulnerability, competitiveness, and the outlook in 2016/17.

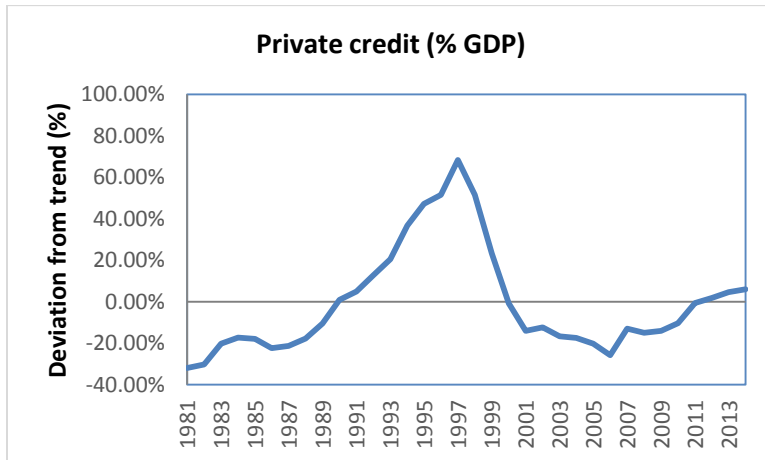
4. Would the resilience of the Thai economy still remain intact in 2016/2017, when compared to the year 2010? If so, explain why. If not, why not?

5. The price of rice in the domestic market is expected to increase by about 5-10 per cent late in the year after drought lowers the supply. The price of white paddy rice has increased from Bt7,500-Bt8,000 per ton early this year to Bt9,000-Bt9,500 per ton at present, while the cost of packed rice was up from Bt12,000-Bt12,500 per ton to Bt14,000-Bt14,500 per ton.

Examine the impact of an imminent increase in the price of rice on poverty and income distribution.



6. Explain why new credit growth is a proxy for economic growth. What does the following quotation resonate with economic situation in Thailand: “When things go wrong as they sometimes will, and when the funds are low and the debts are high?” Is the Thai economy facing a hard road ahead for a sustainable recovery?



7. Brexit refers to the possibility that Britain will withdraw from the European Union. The country will hold an in-out referendum on its EU membership on June 23. Examine the likely impact of the Brexit on Thailand’s financial and real sectors.

8. Discuss how the situation described by the TomTom Traffic index for Thailand has been affected by Thailand’s conduct of fiscal, exchange rate, and monetary policies.