Prima Donmuang
6104640401

Reaction Essay: International Trade & Environment

Aj.Anin's Lecture

Basically every economic activity has some impact on the environment, especially climate change. The CO2 or the greenhouse gas emission could be released from any type of economic activity for example, international trade. International trade is the exchange of goods and services between countries. Trading globally give countries opportunities to be exposed to resources they might not have in their own country and be able to grow economically such as ASEAN free trade area.

However, there is a downside to international trade, moving billions of tons of ships and cargo relies on burning massive quantities of fuels. The result is a huge amount of carbon dioxide and will definitely damage the environment. Environmentalist urge that international trade will create more polluting industries and it will allow country to locate polluting industries in countries that have lax environmental regulation but the Environmental Kuznets Curve suggests otherwise, Early stages of industrialization are linked to relatively high pollution levels but as trade liberalization help advanced economic development countries will have greater concern for the environment and will strengthen the environment regulation.

Since the overall impact of trade liberalization is an empirical question, we need to be aware of its impact on the environment. Even if international trade would help a country to grow economically and eventually cares more about the environment but in short term trading globally certainly release CO2 emission, But to cut down the greenhouse gas emission would have to be trade off with economic activity which I think a country can still grow economically without exceeding the CO2 budget if every country in the Paris agreement can maintain their CO2 budget there is no problem with international trading.

To conclude, economic growth is vital for a country to develop but the environment must be taken into account because if not direct consequences such as climate change will disrupt international trade to illustrate rising sea levels and extreme weather events. Policy makers must come to an optimal between trade and environment in order to grow sustainably.

Prima Donmuang
6104640401

Reaction Essay: MNE & FDI in Laos

Aj. Nessara's lecture

A multinational enterprise (MNE) is a corporate organization that owns or controls production of goods and services in at least one country besides its home country. Foreign Direct Investment (FDI) is a long-term investment made by a direct investment enterprise in the production of goods or services in another country when the direct investor owns at least 10% of the voting power of the direct investment enterprise. Types of FDI are categorized by many criteria one is based on mode of entry: owned subsidiaries, merger & acquisition and joint venture. To illustrate FDI: the investment may be made by either buying a company in target country or by expanding the operation of its existing business into another country establishing a long-lasting interest.

Motives of FDI may vary from seeking natural resources at the lowest cost or expanding their production to new markets or location advantages such as government control and tariff or engaging FDI rather than licensing to overcome market imperfection problems. FDI can impact host and home country positively in resource allocation, technology transfer, income distribution and economic development.

Many countries such as Thailand and China have FDI Laos PDR because Laos has many positive factors: rich natural resources(hydro power), politically stable, high level of economic growth, stable exchange rate, corporation in the region and its trade and investment regulations that are up to international standard. I think Thailand can also benefit from FDI, we should adjust our regulations to be more FDI friendly or invest in ASEAN country with rich resources.