

Reaction Essay class # 3 (Aj.Anin) : International Trade & Environment

Nowadays businessmen or economic organizations often consider the profit of their own company before the impacts on others. The effect may be an increasing amount of greenhouse gases and carbon dioxide that can cause global warming. In this class, we aim to study various aspects of the overall ASEAN economy, trade, environment, etc. In the first lecture, we are focusing on the environmental impacts on the economy and information about other countries' economies.

I have learned and gathered new information about the value of world exports in the past 100 years, from the graph it shows that the economic slow down leads to decreasing in world exports. The lecture also pointed out each countries' GDP. The Gross Domestic Product (GDP) is the variable that defines economic growth and export rate. We can also conclude from India, USA, and China GDP that their countries contribute the most emission on greenhouse gases that can cause global warming, but greenhouse gas is not a type of pollution. Although these major countries distribute a large amount of greenhouse gas, they are able to cope with the problems because of the countries' resources. The courses also provided us with the history of CO₂ in the industrial revolution period. Moreover, there is evidence such as the Free Trade Area, International trade theory, The Heckscher-Ohlin theorem, EKC, etc. This important evidence illustrates that the more the economy is growing the more it will harm the environment. The best way to solve this environmental problem is to maintain the atmosphere temperature to lower or equal to 2 degrees celsius because it can possibly avoid the impact of climate change.

In conclusion, all economic activities that have been created by humans usually cause major effects on the environment that later will become a serious problem for human beings to solve in the future. If we want to cut down the impacts on the environment we have to sacrifice with economic growth. Therefore, I think that every economic organization around the world should consider the influences on the environment as the first priority.

Reaction Essay class # 4 (Aj. Nessara) : MNE and FDI in Laos

Investing in other countries has been very popular these days. They have benefited both home and host regions in various ways. Because it is a win-win relationship between the two countries, many business owners usually start their business in their own country before spreading and expanding their target groups around the world to increase their profit. In this lecture, we're exploring and studying a case study about foreign direct investment and multinational enterprises in Laos.

Multinational Enterprises (MNEs) are business groups that are operating a business in foreign countries; this operation is called Foreign Direct Investment (FDI). It is defined as the investment transactions that foreigners have with the property in the host country. The motivations that attract the foreigners to invest are low wages, production cost, tax rate, high amount of natural resources, the size of the market, efficiency, and strategic assets. From the case study, Laos's rich natural resources such as tin, gemstones, and gypsum generate more income to its country. Two main sectors like agriculture and industry also become the main factor that improves the Laos economy, according to the Lao Statistics Bureau. Some of the advantages that Laos has received as the host country are new knowledge about technologies, income distribution, and development of the economy. The major investors like China, Vietnam, and Thailand are mobilizing the huge scale of investment to benefit their country. For example, China invests in energy and infrastructure sectors. Vietnam is investing in oil and natural gas because Laos has rich natural resources. And finally, Thailand usually purchases large pieces of land to help develop Thailand's agriculture businesses. As mentioned in the graphs that are provided in the lecture. We can see that the FDI stocks and flows are increasing through time, it

can be guaranteed that the foreign investor will be investing and seeking opportunities in Laos for the next 10 years. From the information provided, the new foreign investor should come and invest in this small country for its own advantages and the benefit of Lao PDR.

From the Laos case study that I've learned it enlightened me about the advantages of investing in other countries, how it also benefits our home country, and why we can't overlook some small country like Laos. I think that our country needs to expand the market and improve our economy because of the Thai government's financial crisis that is happening at this moment. It may change the path of our life, our culture, but we must be prepared for what's coming.