

# EE 460 – Midterm Summary

Semester 1 / 2019

# Many issues have actually been existing for centuries

## **(1) Free Trade Agreement (FTA)**

- The first FTA was Bowring Treaty (UK-Siam (1855))

## **(2) International trade**

- The international trade has been the main driving force of the economy since Ayutthaya period

## **(3) Immigration**

- Chinese immigrants have been playing a significant role in Thai economy

## **(4) Tripartite structure**

- Economic and political structures have been influenced by three institutions

## **(5) Free market vs. nationalism**

- There has been the switching paradigms between the economic structure fully controlled by the government versus the free market mechanism

## **(6) The characteristics of mono-centric urbanization in Thailand**

- Rapid expansion of area and population
- Concentration of industrialization surrounding Bangkok
- Urban-rural migration and remittance
- Concentration of government's budget

# Key challenging issues of Thai Economy

- (1) Low unemployment versus low GDP growth
- (2) High proportion of agri employment versus industrialization
- (3) FDI-driven export versus endogenous technological development
- (4) Economic expansion versus monocentric growth pole
- (5) Industrial transformation and technological development
- (6) Green revolution and dependency on imports of chemical products as well as environmental degradation
- (7) Small-size farming versus higher productivity in agriculture
- (8) Dominance of private and state-owned banks in financial market
- (9) Transmission mechanism of monetary policy in Thai economy
- (10) Premature de-industrialization
- (11) The fiscal structure – government's main sources of incomes and expenditures