

How Thai government manage country and economy

The problem that Thai people facing today is like a large ship sailing in the middle of the ocean carrying a lot of passengers and facing a monsoon that the captain is trying to get the ship out of the situation. As such, as well as in Thailand today, it is facing a major monsoon, which is a political monsoon, economic monsoon, and social monsoons. That the government converted from a totalitarian government to half a democratic government. That is to say, in politics as a dictatorship government ruled the country for over 5 years, the revolutionary leader, General Prayuth Chan-Ocha, became prime minister has absolute power in a form of dictatorship the dictator's order is an unchecked law.

Order of General Prayut Chan-o-cha is a law that no one can argue. When the change from 2017 constitutional dictatorship to half-card democracy resulted in another political organization, the National Legislative Assembly, but in this organization, there are two members: elected members from the people and the senators. For senators, they are still appointed by the revolutionary committee, not elected by the people. Despite the transition from a dictatorship to half a democracy Gen. Prayut Chan-o-cha also received support from political parties formed by various forms of suction power. Until the word "hand out bananas" made General Prayut Chan-o-cha be the prime minister from this change.

After General Prayut Chan-o-cha and the team which consisting of the same key ministers had run the country for 6-7 months, the opposition coalition party submitted to the legislature asking for a distrustful debate. This is normal in a democracy, although the results of the votes of the debate will end up in parliament that the government will certainly win. Due to the politics of Thailand, there is a way to make the government party, which is made up of the ruling party itself. The coalition government, there are also council members called "cobra" and "take bananas" that will win the government vote.

However, as a result of this distrust debate, people will be given the truth that arises like the proverb: "Garbage hidden under the carpet" that the act is the government has to clarify the facts, especially the problem of corruption. Besides, the problems that people are facing in difficult living conditions because the country is facing an economic downturn, causing the suffering of the people to spread more and more. Although the Deputy Prime Minister for Economic Affairs once said that the poor will run out of the country, the livelihood will improve or the poor will die out of the country.

Solving economic problems with it appears that the more we fix the people, the more they turn from the poor to even poorer, because of populist policies that make the capitalist more prosperous, but the people were poorer. When economic management has the opposite effect, social problems are the same, that is, classes arise in society. The people's livelihoods, both in terms of access to public health, such as medical treatment, instead of good and bad, make them think that the government has been operating during the period of absolute power until now. The effect this has on people, especially the lower middle class and the lower economic class, has increased.

It seems that concerns about the Thai economy are increasing. Unlike before the election, many parties viewed a positive picture that after the election and the government has been established the new government will be able to carry out continual policies. and build confidence among investors causing a hopeful view of the economy this year that will be able to grow close to last year at close to 4%. The election results that make consolidation of the government seem not easy. Both sides had similar voices and perhaps slightly more than half of the House of Representatives, causing concerns about whether a government could be formed or not. Causing businessmen to worry about such uncertainty will make the investment climate and domestic spending profits seep down. Also, the government expressed concern and trying to find measures to stimulate domestic spending.

In addition to politics other negative factors that have raised concerns about the economic slowdown include: First, Exports continued to contract. Thailand is a country with a high percentage of export revenues and is an important economic driver during the period of export slowdown. The Thai economy expanded slightly. If exports recover, it will help the economy improve. Production and employment will improve accordingly. For this year expected Exports will expand 4-5%, but it appears that the first 3 months of the year. Exports shrank by 4 percent, reflecting the slowdown in the global economy and trade. Most expected that the export sector will recover would be the second half of the year worrying that in the next few months export driving force will be less. Second, Tourism growth is low, the engine that is the dominant conductor because in the past 3-4 years it has seen very high growth. And bring in more income into the country continuously currently, the income from the tourism sector is valued as high as 2 trillion baht per year. Double in just 5 years which is 25% of current export revenue. However, during

the first 3 months of this year, the Tourism sector expanded at a low the number of tourists increased only 1.5% from the previous year. The global economic slowdown of the stronger baht and the recovery of Chinese tourists is also a factor that worries that. The tourism sector will accelerate and how much more income into the country. Third, Costs and living expenses are rising. For entrepreneurs, the cost is likely to increase. From the minimum wage adjustment Which should be summarized in the coming weeks Initially, it was concluded that there would be an increase of 2-10 baht. Oil prices are expected to rise in the next few months. Because the production/export volume decreases of US sanctions against Iran Political problems within Venezuela and Libya, as well as the rising demand for oil over the summer. And public fare has been raised. Last, National Bank's measures will cause a slowdown in the real estate sector and car purchases for real estate measures to increase the tightness of home loans. Began to come into force in April 2019 as for the measures for car loans National Bank is still studying, but it is expected to be announced in the coming months. Because the National Bank seems to be concerned about the expansion of such loans. Which both measures will have an effect on spending Because in the past I have to admit that Expanding consumption expands mainly in these two areas. Political concerns and the negative economic factors mentioned above It should make the economy in the next 1-2 months moderately stagnant. And still, have to wait and see if the factors will resolve for the better in the next 2 months as everyone had hoped or not. Not only these 4 factors that make Thai economic slowdown but also from the Covid-19 factor. The situation of the coronavirus or COVID-19 outbreak has forced the government to take more intense measures to control the outbreak. Which has started to use a lockdown measure on March 26 until the end of April at least resulting in the economic

disruption. Which measures in addition to affecting our lifestyles, also affecting the business sector and the overall economy of Thailand as well. Lockdown measures affect the liquidity of the business.

During the virus outbreak, Most business sectors are unable to maintain sales and profits. Some companies may experience lower profits and lower capital, however highly liquid companies will get through difficult situations. Krungsri Research, therefore, uses the liquidity ratio which is current assets compared with current liabilities, to assess the ability of the company to pay off the debt of the company in the short term. If the company has more current assets than current liabilities, it reflects that the company can pay off its current debt. While companies with lower current assets than current liabilities, they may face severe liquidity problems from the disruption of the sector. When assessing the GDP data by the business sector together with the company data, it was found that the virus outbreak has resulted in the number of companies lacking liquidity or tight liquidity. In which if using a two-month lockdown measure companies that are fragile and sensitive to severe liquidity changes will increase from 102,076 companies before the outbreak to 192,046 companies from 747,390 companies in Thailand, or nearly doubling. This year, the restaurant business, airline business, and hotel business will be in a difficult situation. The number of restaurant operators who are unable to pay their debts is expected to increase 39% from the period before the outbreak. Small hotels and small airlines the number of entrepreneurs seeking liquidity will increase by 35% and 27% respectively. Commercial banks are also likely to be severely impacted, but they still have high liquidity. Therefore, continue to operate continuously if assessing the impact divided by company size small companies are the most vulnerable. The number of companies with insufficient current assets increased by 19.3%, while the number of mediums

and large corporations with liquidity problems rose 13.0% and 7.2%, respectively. In the restaurant business, car and hotel dealers are at high risk of impact. Affected by the coronavirus outbreak and is at a greater risk of default than other companies the most vulnerable mid-sized companies are restaurants, financial services, and car dealers.

Overall, it may be said Thai politics is one of the factors that cause the Thai economy to rise or drop. From many pieces of research that I found it seems that political instability significantly reduces economic growth, both statistically and economically. Using the system-GMM estimator for linear dynamic panel data models and Political Uncertainty Index for Thailand. So, Political uncertainty has a significant negative effect on economic growth and volatility.