

Thai economy barely grew in 2014 after protests, coup

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Thai economy barely grew last year as tourism, investment and exports fell after months of anti-government protests and a May coup.

The National Economic and Social Development Board said Monday the economy grew 0.7 percent in 2014, falling short of expectations of 1 percent growth.

The government agency predicted Southeast Asia's second-largest economy behind Indonesia will expand between 3.5 and 4.5 percent in 2015 as world growth picks up and tourism, exports and investment recover.

Renowned for its pristine beaches and high quality rice, Thailand is also a manufacturing base for electronics manufacturers and several global automakers, including General Motors Co. and Toyota Motor Corp.

Thailand was hit by months of anti-government protests before the May coup, which was the latest major episode in a decade long battle between the country's ruling class and a populist political movement started by telecoms billionaire and former prime minister Thaksin Shinawatra.

The coup has ushered in a period of relative calm but deep divisions remain.

The agency said the political instability made the number of tourists decline by 1.77 million people compared with 2013.

Export volumes rose slightly last year but prices fell, producing a 0.3 percent drop in export value overall. Thailand temporarily lost its crown as the world's top rice exporter as it stockpiled rice in an attempt to force up global prices after introducing large subsidies for rice crops.

The agency said the economy grew by 2.3 percent in the October-December quarter, 1.7 percent higher than in the previous quarter. It shrank in the first half of the year.