

## Reaction essay (Aj.Anin)

To start with, since the lecture from the special guest, Professor Anin, I partly agree with the lecture in which he talked about international trade and the environment. There are many topics that are interesting and knowledgeable. With that new knowledge, I have learned a new variety of things that will be later discussed in this reaction essay below, along with my own perspectives and reasons toward those topics.

According to the lecture, when talking about international trade, it is inevitable to talk about the economic growth that leads to the tradeoff between the growth or the environment. Since the very first of the trading era where it took back 2 centuries ago, its global import and export had gone up exponentially since then. Apart from the first clip, since the booming of global trade, it brings global warming up as well as the trading. There is a downside for that as those shipping which are billions of tons of cargo and ship relies on burning massive quantities of fuel, the result is an enormous amount of Carbon Dioxide (CO<sub>2</sub>). The obvious part is that the US and China who are the leading potential countries in the world are one of the major contributors for gas emission. It is later stated in the second clip that the increase in emission gas is the main driver of global warming.

Now the main question is: Is Trade good or bad for the environment? To answer that there are two main arguments where the first is the good side. To support that, FTAs argue that those liberalization countries will have access to environmentally friendly technologies and have greater income due to trade liberalization. On the contrary, the second one is the environmentalists who argue that trade liberalization devastates the environment according to the

fact that it will expand more polluting industries and also encourage those industries to locate in countries with weak environmental regulations, in others word, it is called “Pollution Heaven”. To illustrate further, taking the case that building the same factory in European countries compared to building the same exact factory in Thailand will cost very much more in European countries due to environmental regulation.

In conclusion, as we know that the trade off is unavoidable, so it is better to raise awareness for the new coming graduates, in the fact it should be everybody that we must share the same basic perspective that the resources in our world which people try to make profit out of it is insufficient. So before thinking about the profit, the first thing to consider is the whole and the world. In our world that we live in now, we are the one that polluted it. It is time to change, although it is true that economic growth is important but if we overlook this basic thing, in the future I do not think the money that we made will be essential no more if there is no world for our next generation to live on.

## Reaction essay (Aj.Nessara)

In the lecture, the topic is the Multinational Enterprises(MNEs) which is mainly talking about, not to mention the Foreign Direct Investment or as we know called FDI. It will be later emphasized in this essay.

First and foremost, let's get to know some of Multinational Enterprises(MNEs) but before that the terms of Foreign Direct Investment(FDI), according to the OECD Benchmark, direct investment is a category of cross-border investment, which can be divided in several categories. Firstly, based on direction of investment which can be specifically divided into inward FDI, which is when the foreign company invests in Thai, and outward FDI, which is when Thai firm invests abroad. Now the next one, based on types of activity, which again can be specifically divided into horizontal and vertical FDI, where taken producing cloth with the whole process in Thai and parallelly producing the same thing in other countries as an example for horizontal FDI. On the contrary, vertical FDI is more complicated according to the fact that there are backward and forward FDI in the vertical FDI. The illustration for backward FDI is a car production but invest abroad to produce the car parts while the illustration for vertical FDI is produced in Thai but sold abroad. Consequently, there are some more categories whether based on modes of entry; for example, Joint Venture, based on nationality of investors and the last one based on motives of FDI. Now there are some determinants of FDI which is Dunning's OLI framework which is mostly identical to FSAs/CSAs framework. Not to mention the impact of FDI to host and home country which are resource allocation, technology transfer, income distribution, trading, economic development, etc. Which in the lecture, Lao is taken as a case study.

To begin with, Lao has rich natural resources which will be an aim for those investors taking China and Vietnam that they lately invest in Lao instead of Thai in the past. Moreover, Lao has a level of economic growth and low labor cost which is the reason why big countries like China heavily invest the past decade, not to conclude with the stability of the exchange rate. Evenmore, with the Lao regulation for the country's trade and investment had adjusted, it brings more countries to invest in. By the way, there are the negative factors as well as the country has a small market size, limited labor force, low technology, and institutions are not developed, which is the factor that should be taken into account before investing.

To sum up, after the lecture I have learned a new variety of things and interesting parts not even Lao but get to know some detailed relationship between our country and Lao, along with the information about the Foreign Direct Investment (FDI) that is mainly talk about in other classes which is very knowledgeable.