

Thai Economy in the New World Landscape: A Journey towards Digital & Green Economy

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Over the century, the heart of Global Value Chains has shifted from the Western World to East Asia and then EM Asia

Rise of Western Industrialism

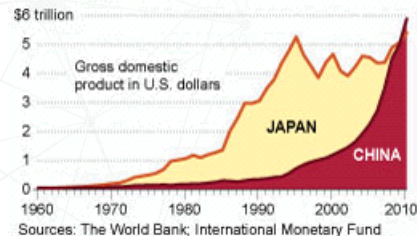


The NIEs – Korean and Taiwanese Divergent Paths



Japan's Sunset as China's Sunrise

Shifting Fortunes



1920s

1950s

1990s

2000s

Japan's Economic "Miracle"



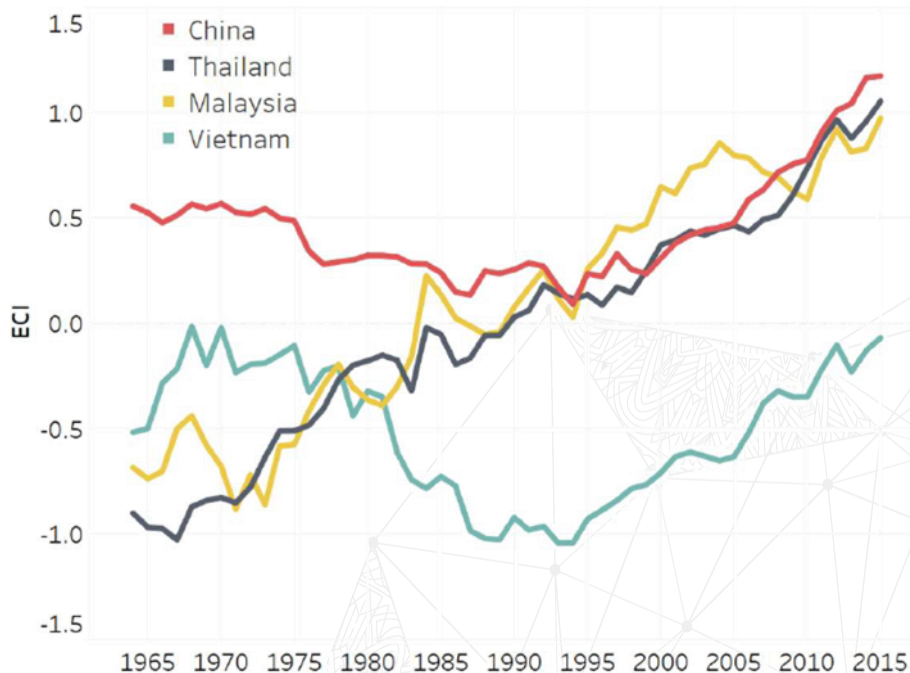
Made in China



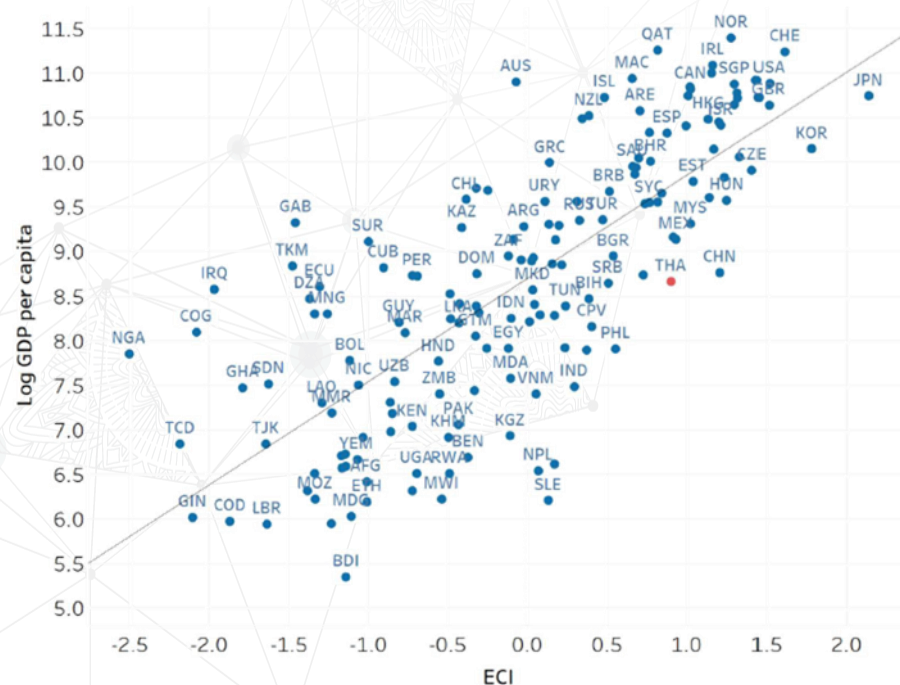
ASEAN countries' economic complexity have risen steadily

So, there are potential to grow quickly in the future

Economic Complexity by Country, 1964-2015



Economic Complexity Index vs GDP per Capita, 2015



The rising importance of relatively high complexity products in Thailand, China and Vietnam are striking

Composition of Export by Complexity

Thailand

China

Vietnam

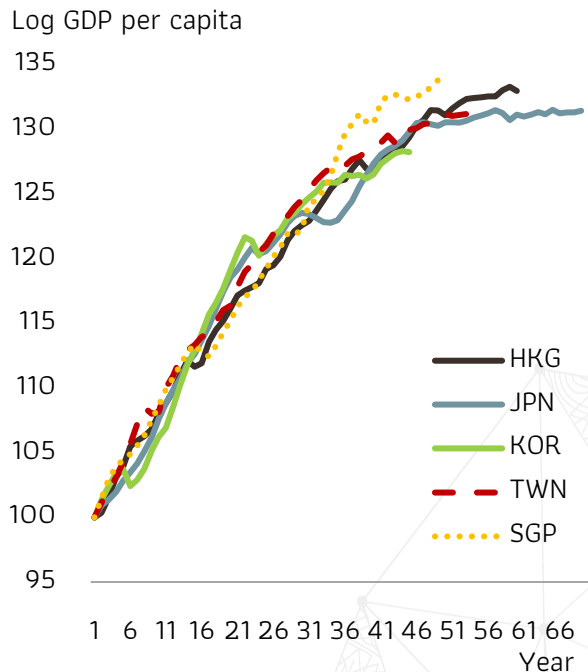


Source: BACI database and authors' calculation.

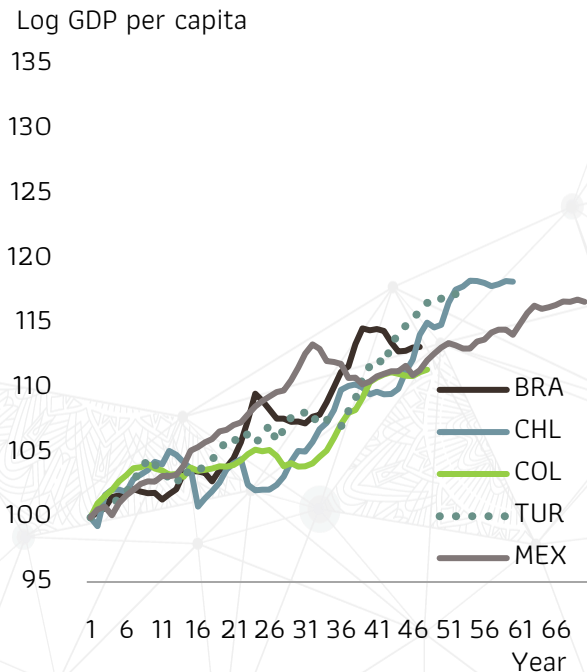
Source: Apaitan et al. [2017]. "Structural Transformation in Thailand: A Perspective Through Product Innovation".

Economic growth trends are not necessarily directional, but ASEAN's economic growth are still ongoing

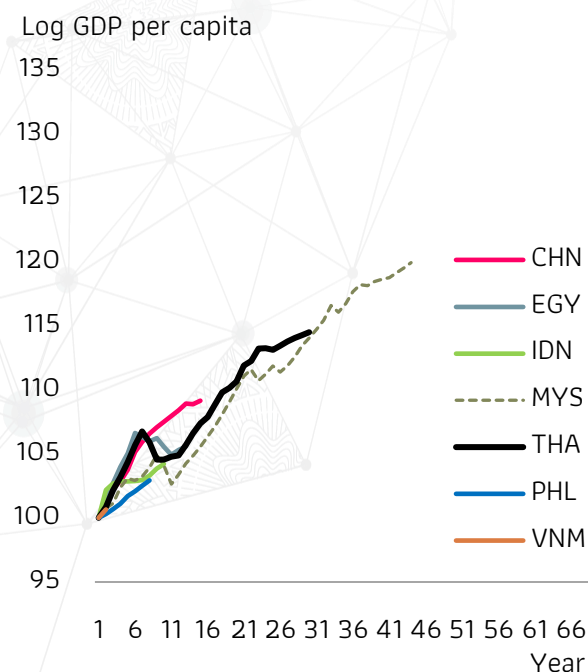
Attained High Income



Growth Reversals



Ongoing Growth Trends

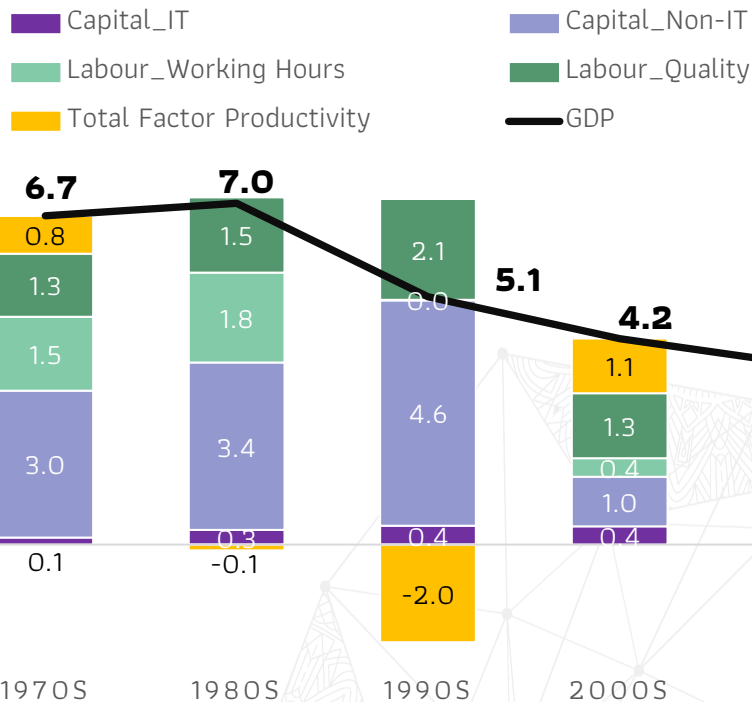


Source: Feenstra, Robert C., Robert Inklaar and Marcel P. Timmer. [2015]. “*The Next Generation of the Penn World Table*”. American Economic Review, 105[10], 3150-3182, available for download at www.ggdc.net/pwt

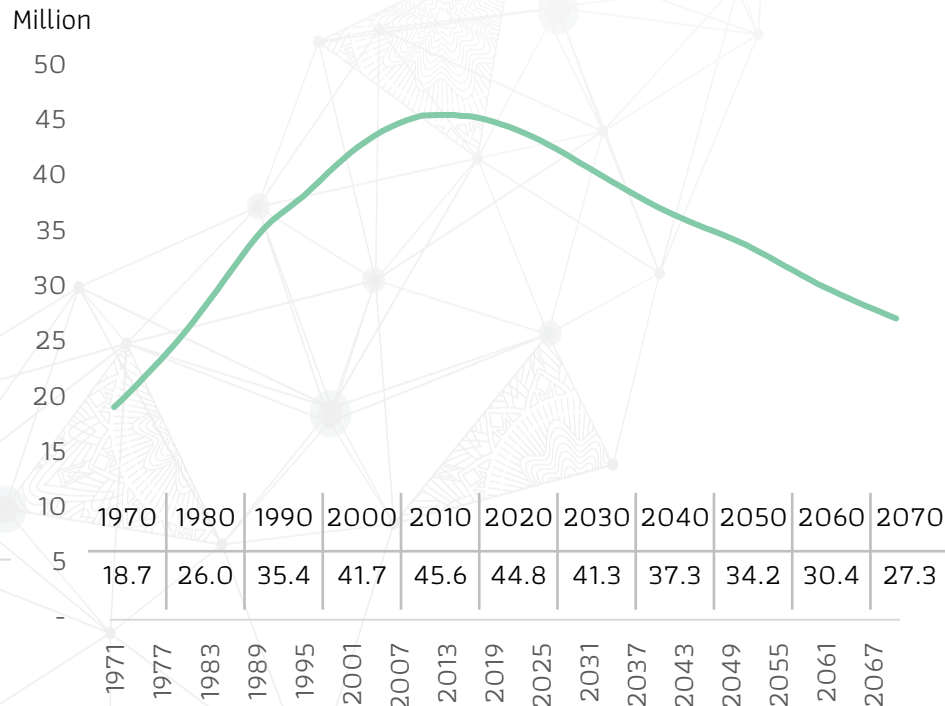
Note: Country graduates into middle-income status if her real GDP per capita reached \$3,000 constant 2005 PPP [year 1].

Even before the pandemic outbreak, Thailand's economic growth had slowed down

CONTRIBUTION TO GDP GROWTH



LABOUR WORKFORCE [15-59]

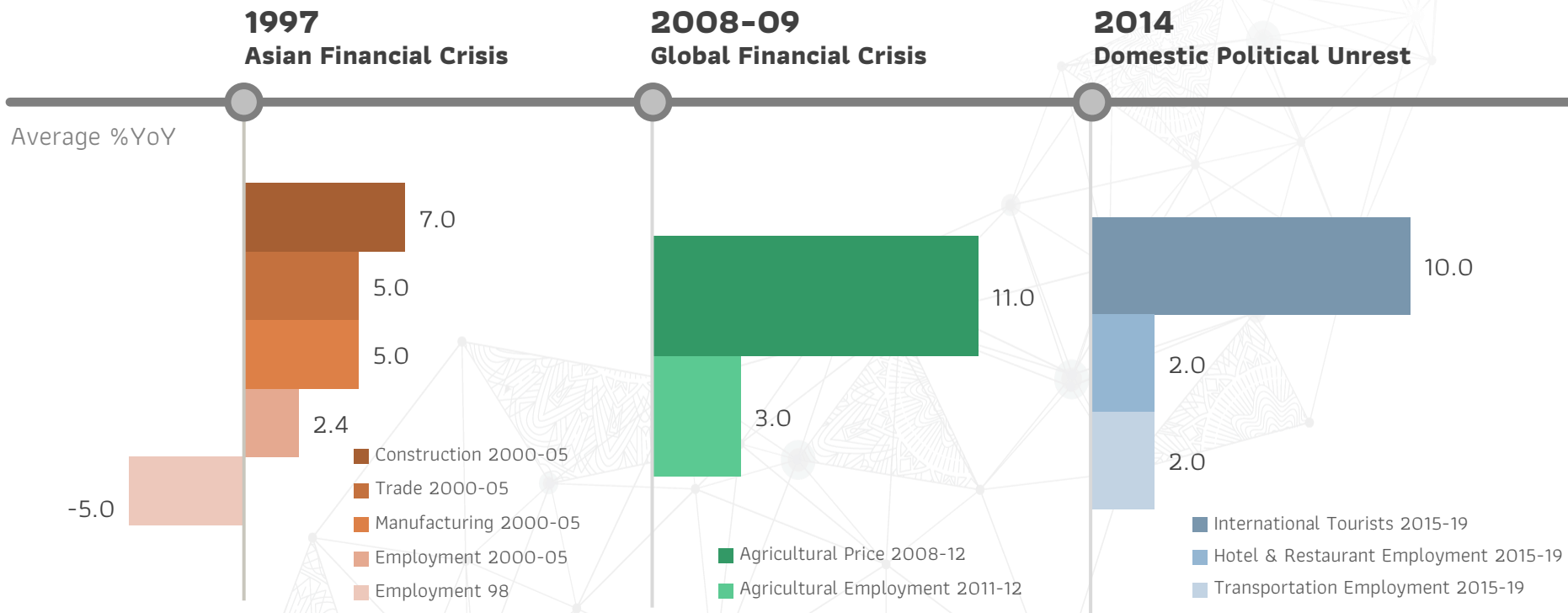


Source: Asian Productivity Organization. [2021]. "APO Productivity Databook 2021".

Note: 1970s covers 1971-1979

Source: UN Population Projection 2019.

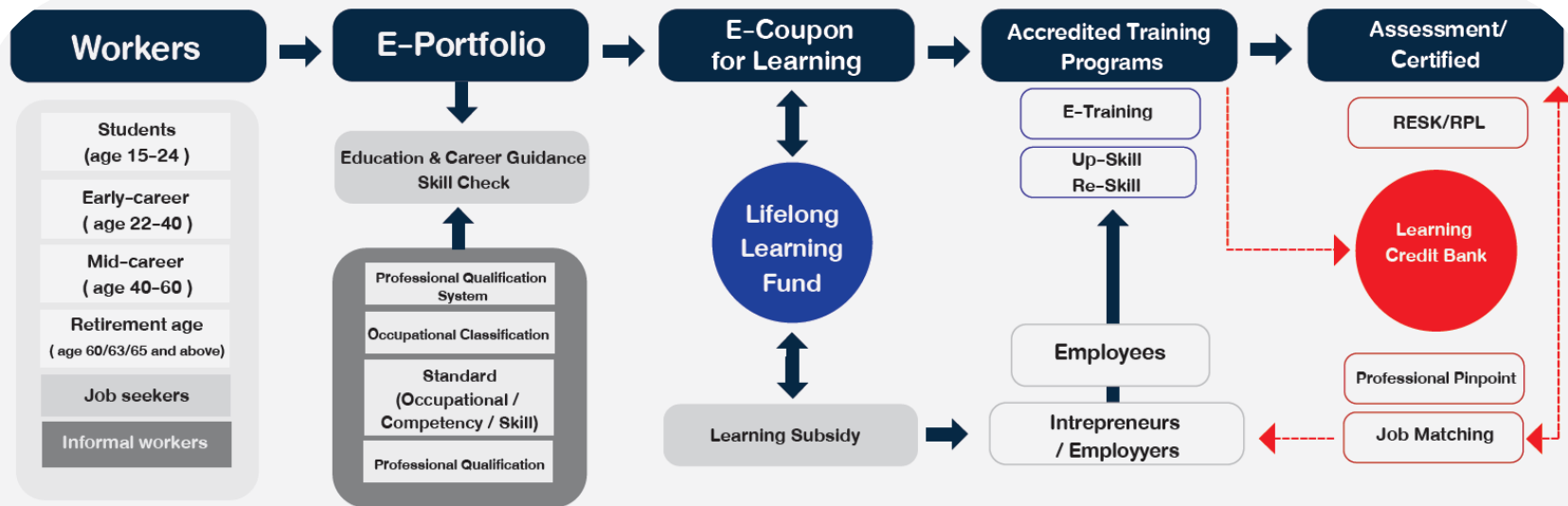
Labor Market Flexibility has allowed labor reallocation to be a key driver of Thailand economic growth



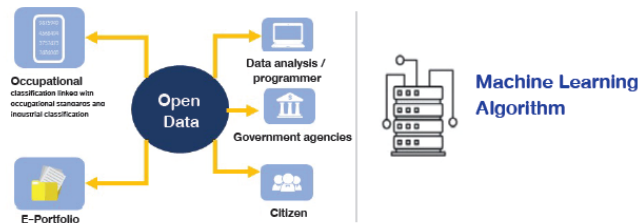
Source: Amarase and Laosutsan. [2021].

Data from National Statistical Office's Labor Force Survey, Ministry of Agriculture and Cooperatives's Farm Price Index, and Ministry of Tourism and Sports

National Workforce Database facilitates lifelong learning path for all workers to up-skill, re-skill or obtain new skills



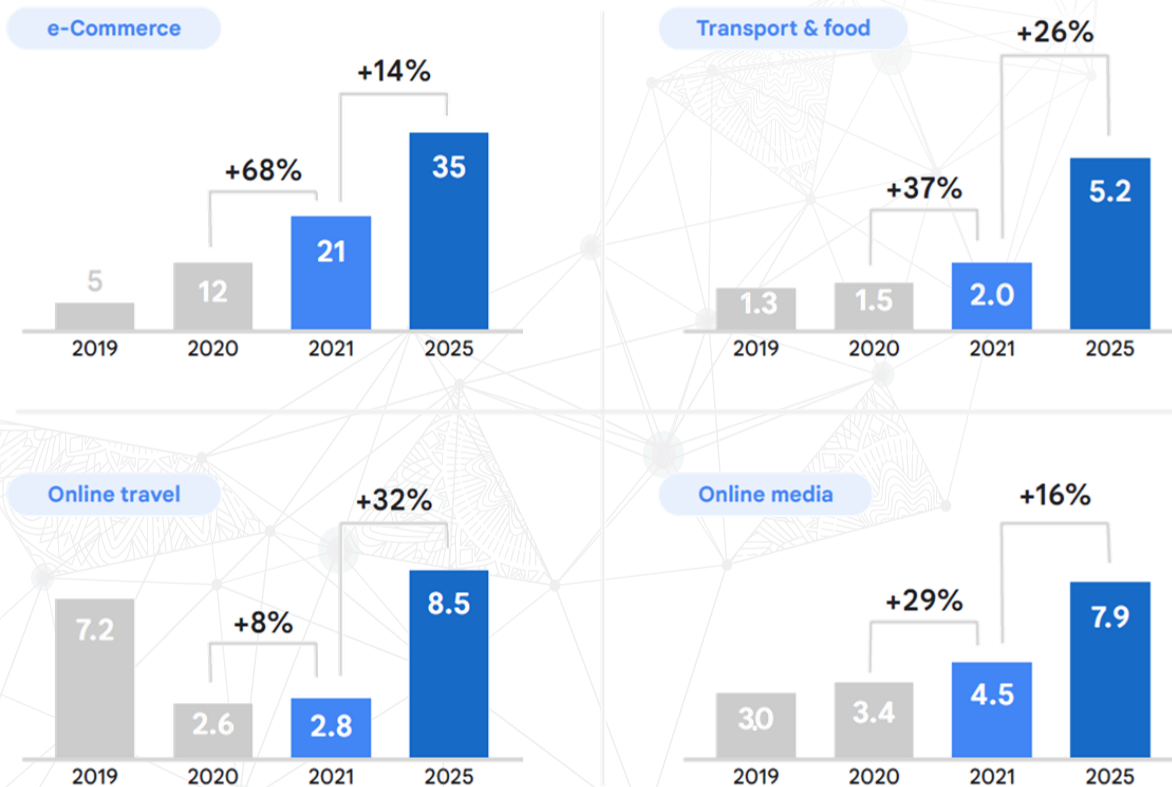
Big Data on National Workforce



COVID-19 has turbocharged Thailand's Digital Transformation

Thailand
Sizeable surge
in e-commerce
makes up for
delayed recovery
in travel

GMV per sector (\$B)



Digital and Green Economy have laid solid foundation for sustainable growth

