

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

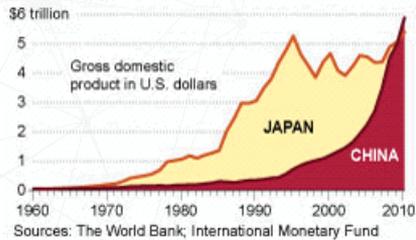
Rise of Western Industrialism



The NIEs – Korean and Taiwanese Divergent Paths



Shifting Fortunes



Japan's Sunset as China's Sunrise



1920s

1950s

1990s

2000s

Japan's Economic "Miracle"



Made in China

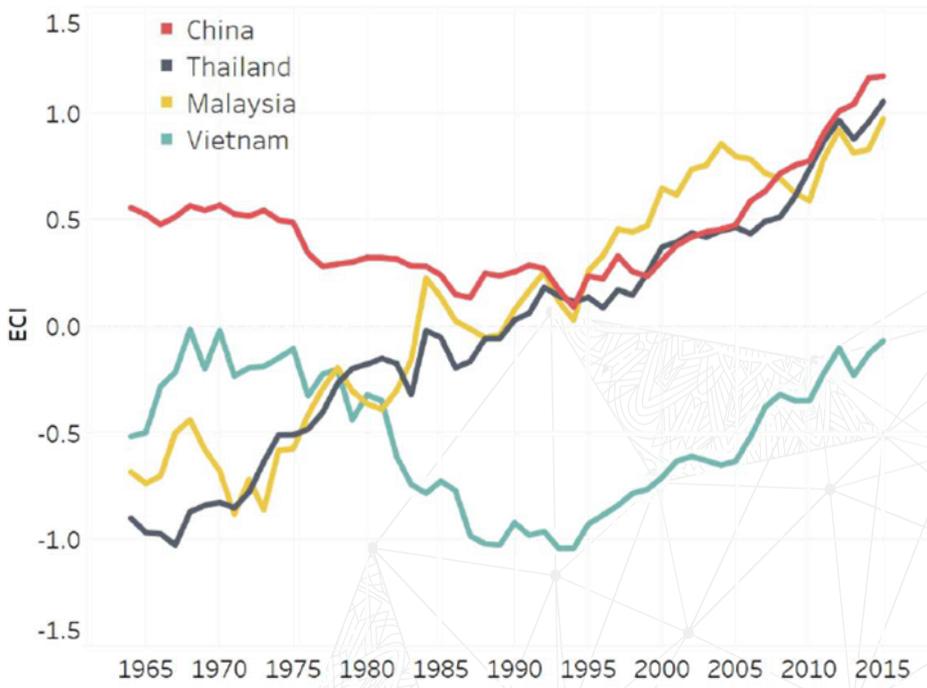


Source: Pangsapa et al. [2018]. "Global Value Chain Indicators: Implicatoin on Economic Monitoring".

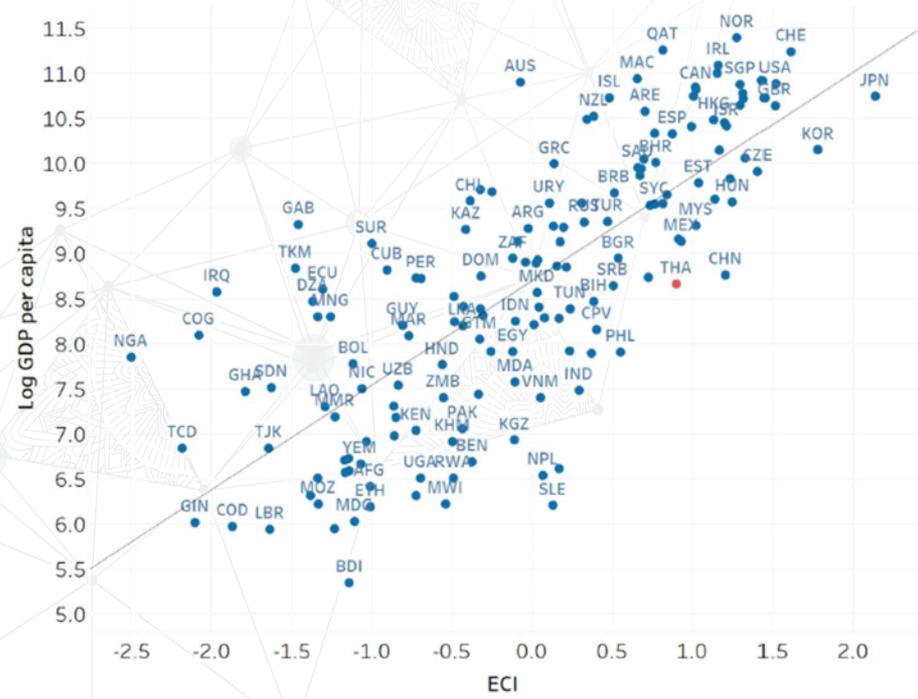
ASEAN countries' economic complexity have risen steadily

So, there are potential to grow quickly in the future

Economic Complexity by Country, 1964-2015

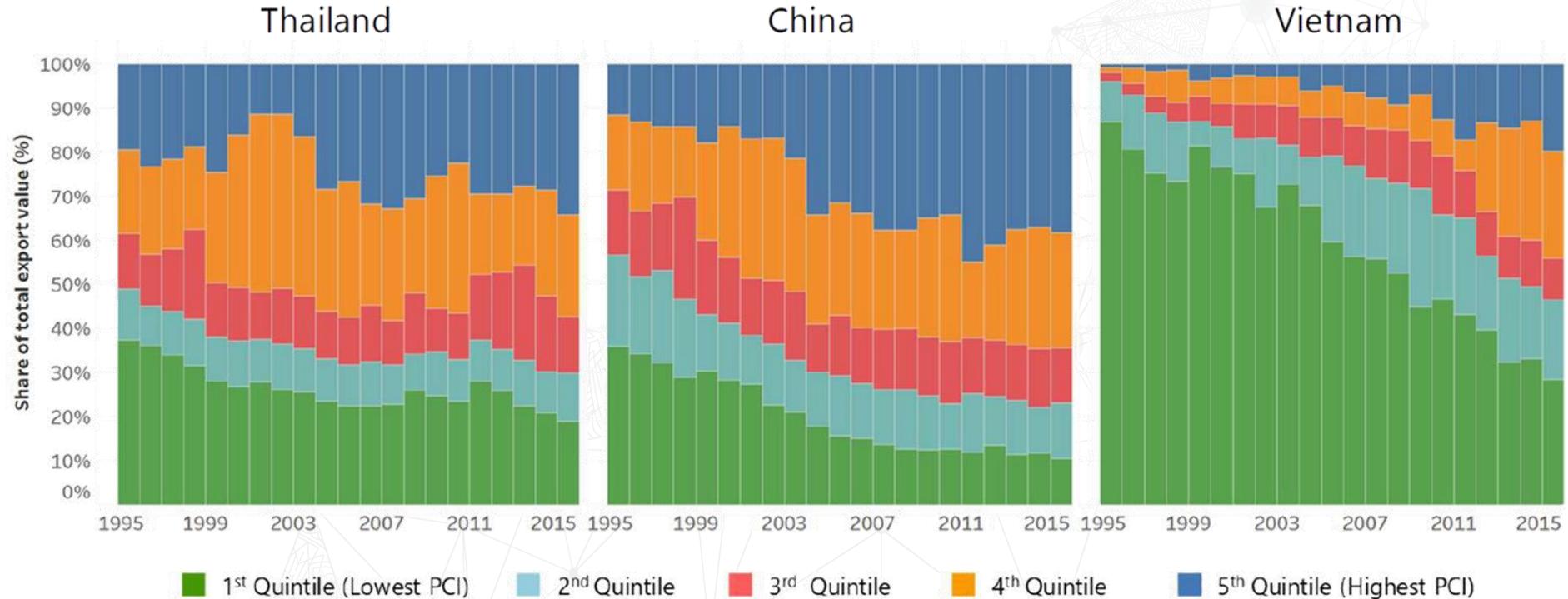


Economic Complexity Index vs GDP per Capita, 2015



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

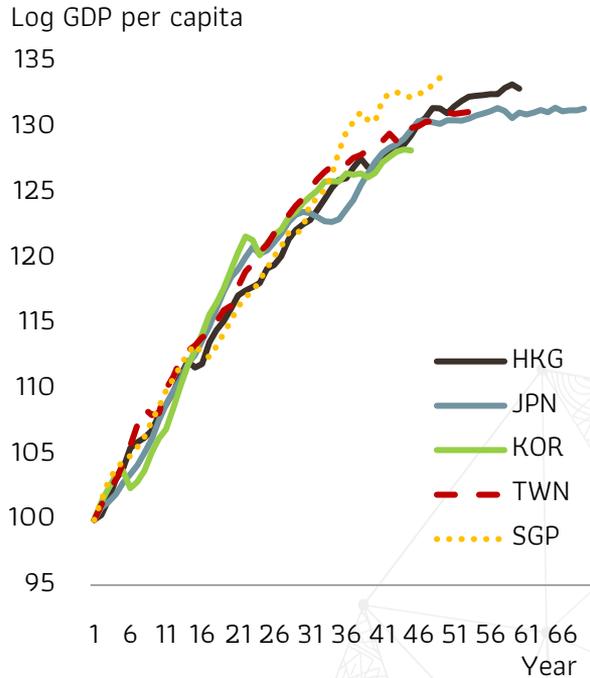
Composition of Export by Complexity



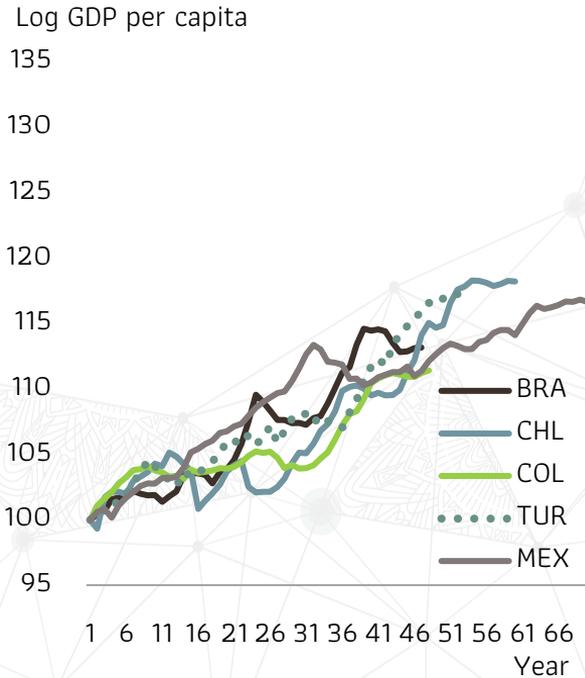
Source: BACI database and authors' calculation.

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

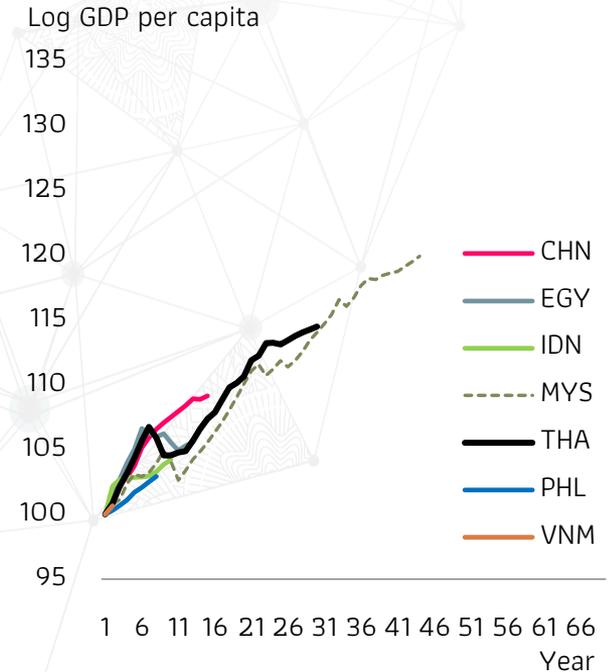
Attained High Income



Growth Reversals



Ongoing Growth Trends

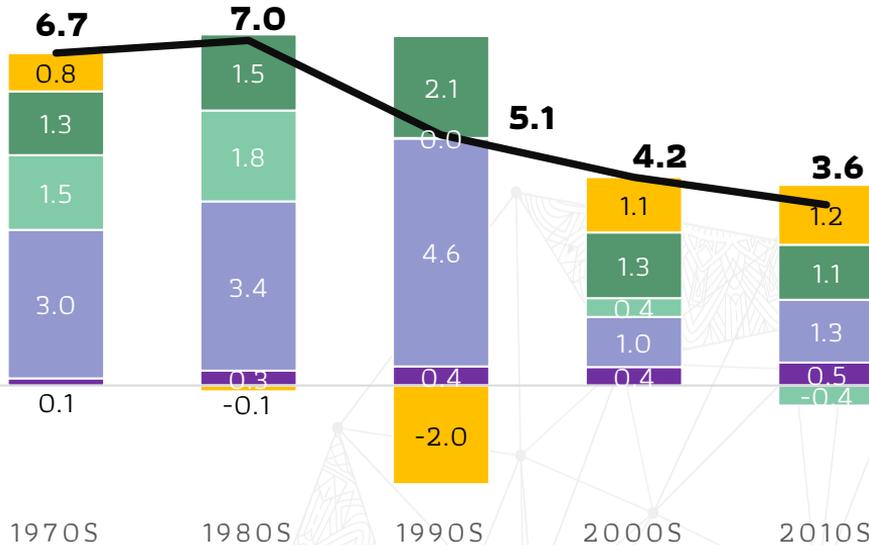
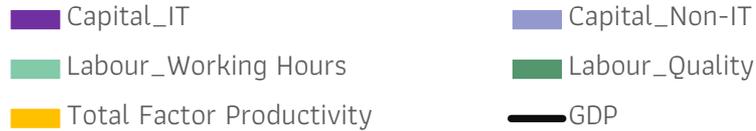


Source: Feenstra, Robert C., Robert Inklaar and Marcel P. Timmer. [2015]. "The Next Generation of the Penn World Table". American Economic Review, 105[10], 3150-3182, available for download at www.ggd.net/pwt

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

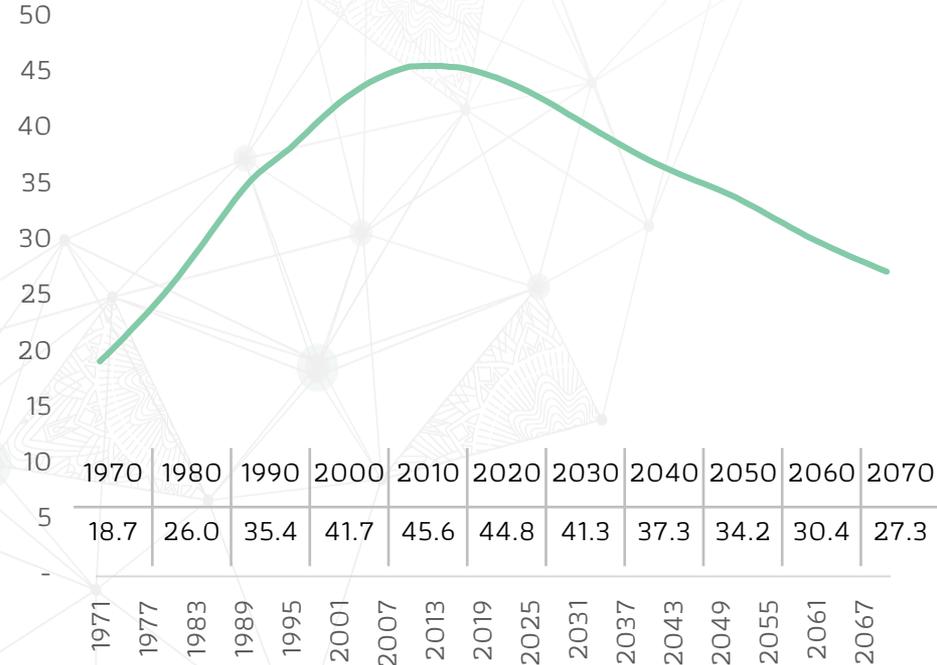
Even before the pandemic outbreak, Thailand's economic growth had slowed down

CONTRIBUTION TO GDP GROWTH



LABOUR WORKFORCE [15-59]

Million

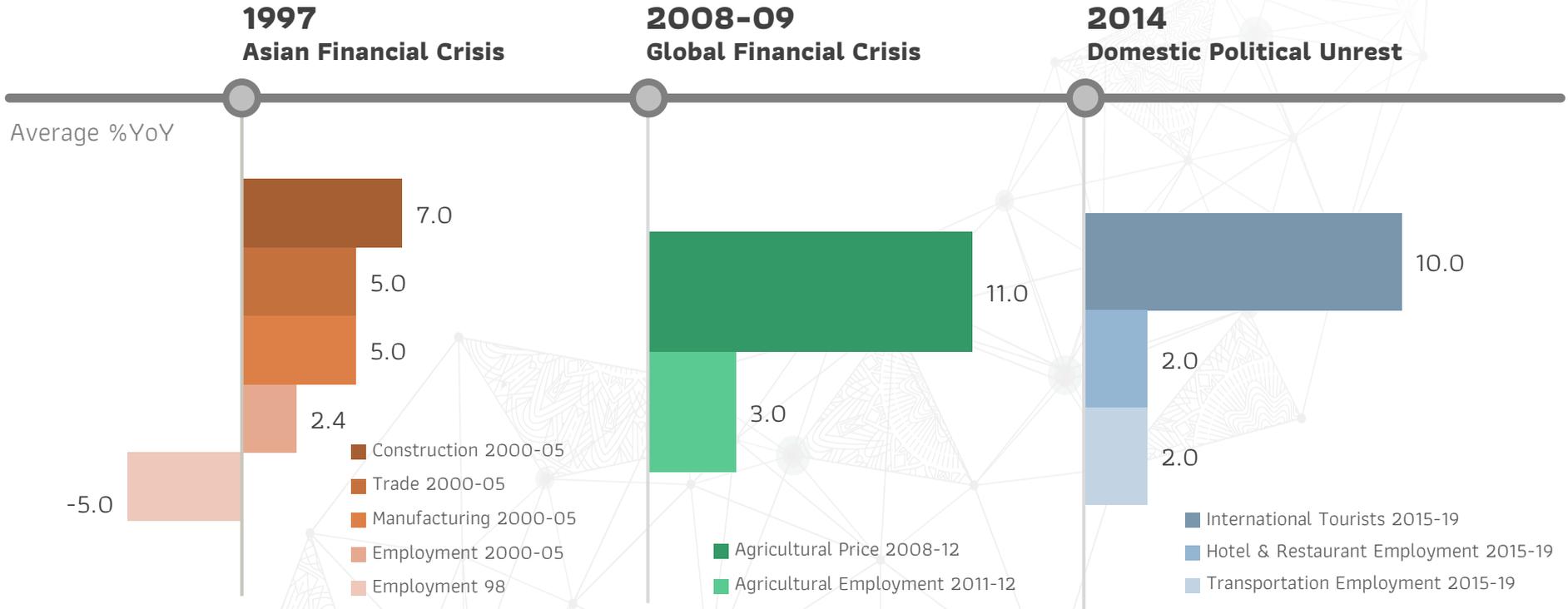


Source: UN Population Projection 2019.

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

Note: 1970s covers 1971-1979

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



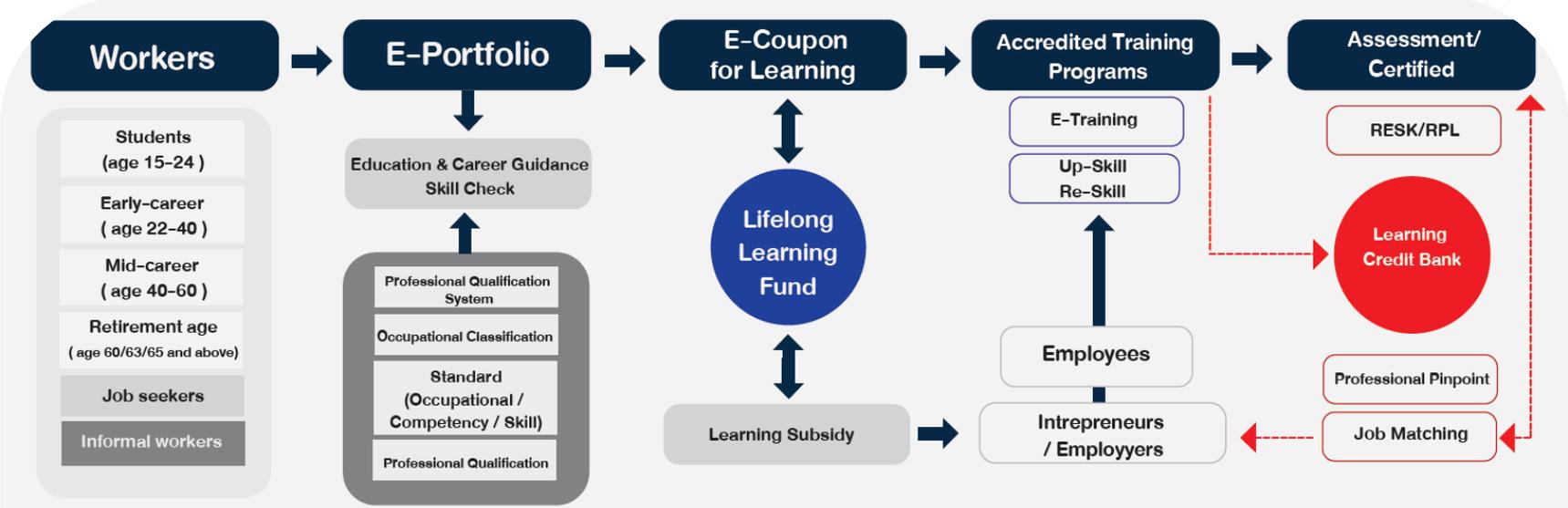
Source: Amarase and Laosutsan. [2021].

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

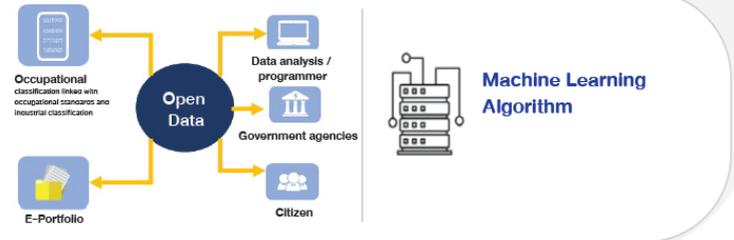


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National Workforce Database facilitates lifelong learning path for all workers to up-skill, re-skill or obtain new skills



Big Data on National Workforce

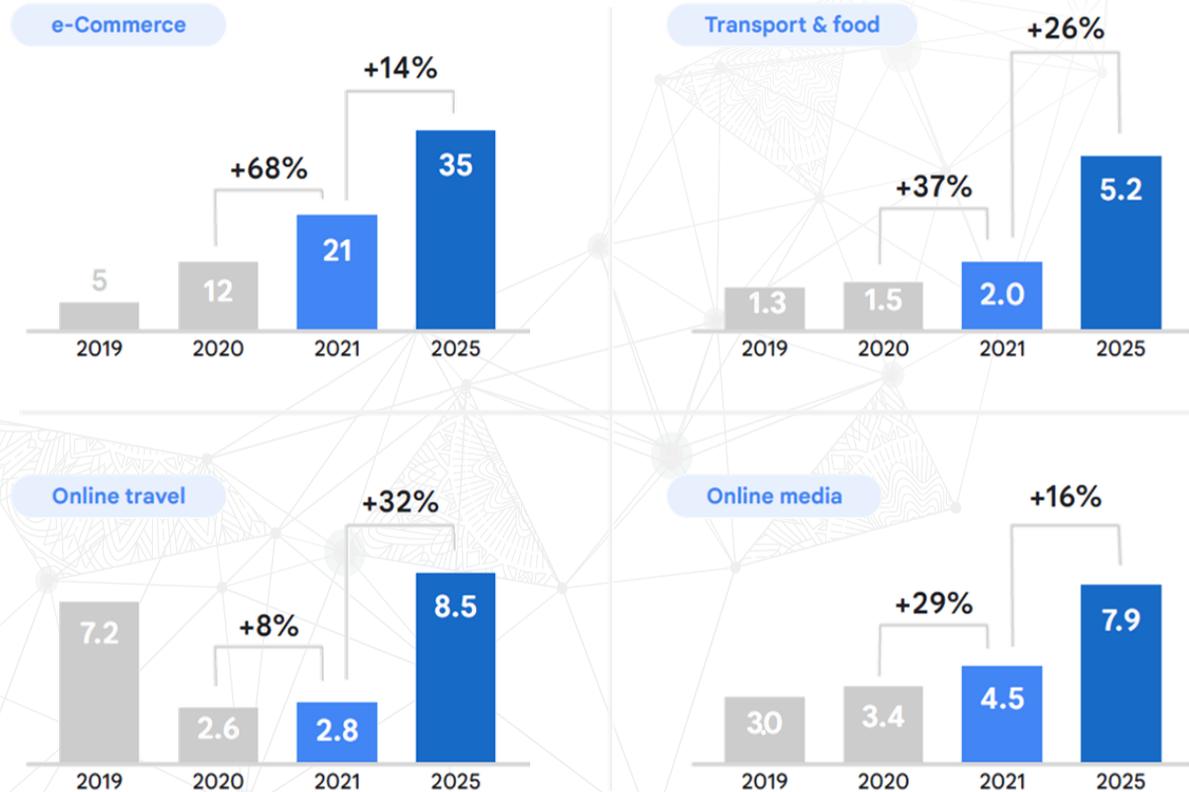


Source: Thailand Professional Qualification Institute. [2021]. "E-Workforce Ecosystem : Optimizing National Workforce Management".

COVID-19 has turbocharged Thailand's Digital Transformation

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

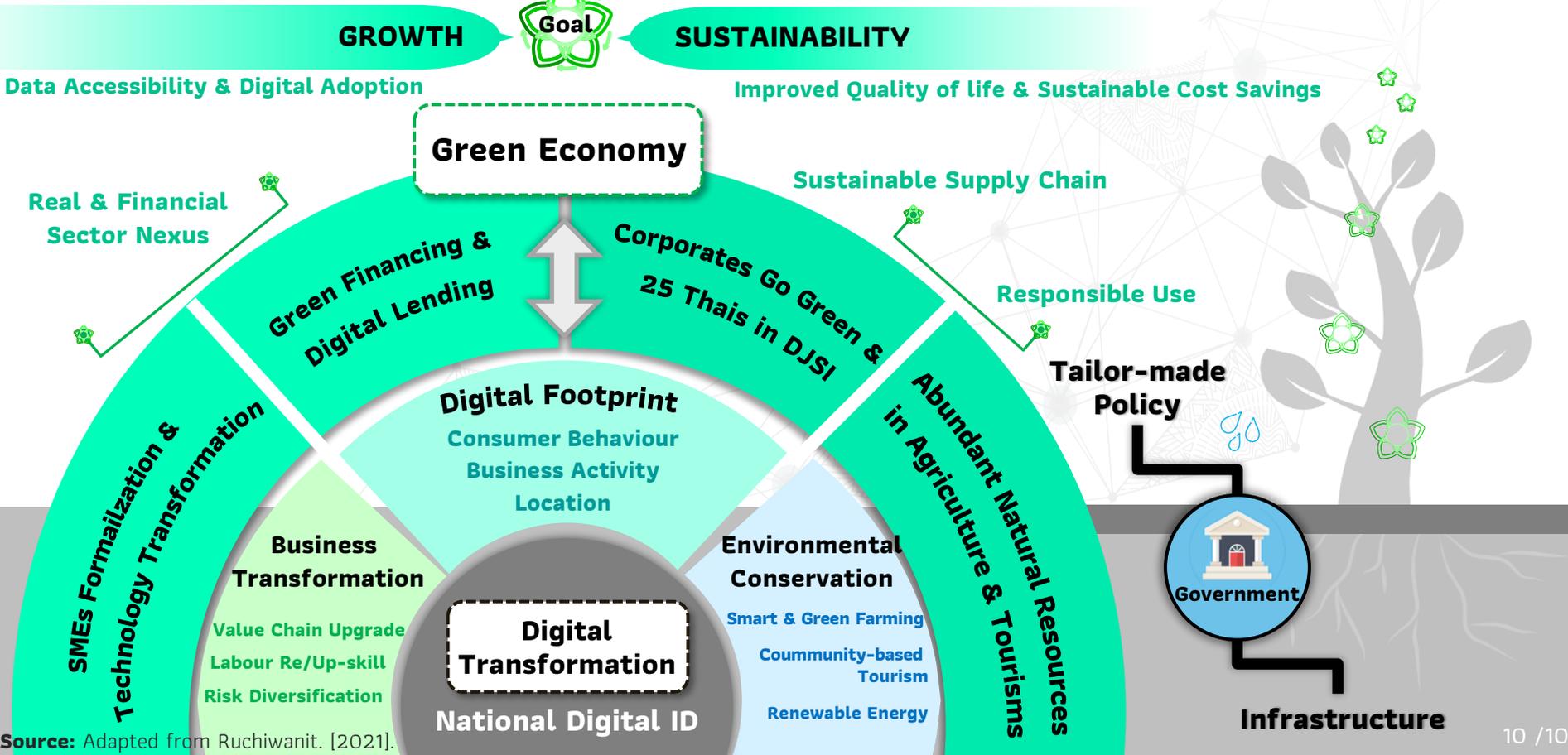
GMV per sector (\$B)





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Digital and Green Economy have laid solid foundation for sustainable growth



Source: Adapted from Ruchiwanit. [2021].