Current Economic Situation

In the decade following the Asian Financial Crisis of 1997-1998 and the collapse of its currency, Thailand recovered through its light manufacturing and agricultural industry, posting growth above 4% every year from 2000 to 2008. Currently, agriculture contributes 11.6% of GDP, while industry and service sectors each account for 44.2%.

Today, Thailand is the world’s 33rd largest economy, operating a trade surplus of $18 billion. Exports account for 60% of GDP, and main exports include food (Thailand is the world’s largest exporter of rice), textiles, clothing, and rubber. The economy enjoys a low unemployment rate of 1.4%. Thailand places 12th out of 183 in the World Bank’s Ease of Doing Business rankings, owing its favorable business climate to its consistent protection of investors and the ability of business owners to secure property.

With the onset of the 2009 global crisis, Thailand’s government worked to revive the economy through infrastructure and stimulus projects. The government has pursued reforms in various areas, including agriculture and industrial sectors. Key priorities include making farming more efficient through research and development, strengthened property rights, and technological innovation. Within the industrial sector, Thailand is looking to improve its labor force and business efficiency to make its goods more competitive in the global market. Earlier this year, the World Bank upgraded GDP growth forecasts for Thailand from 3.2% to 3.7%. The tourism industry, which hosted 15.8 million visitors in 2010, is another important aspect of the Thai economy. A recent government initiative to increase tourism has set a goal of doubling tourism visitors by 2014.

APEC Relations

A member of APEC since 1989, Thailand’s major trading partners among APEC members are Japan, China and the U.S. Exports to APEC members totaled $119.9 billion in 2008, accounting for 68% of total exports, while imports from APEC members, worth $117.0 billion, account for around 66%. Thailand is also a member of the Association of Southeast Asian Nations and the World Trade Organization. The economy is a major recipient of foreign direct investment (FDI), with inward FDI flows reaching $6.0 billion in 2009. In 2007, FDI from APEC members totaled approximately 87% of total FDI inflows.

Free Trade Agreements

ASEAN-China
Thailand-Australia
Thailand-Japan
Thailand-India

Under negotiation:
Thailand-U.S.

KEY FACTS

Population: 67.8 million
GDP: $263.9 billion
GDP per capita: $3,894
Balance of payments: $20.3 billion
Commercial Services BOP: -$12.9 billion
Government: constitutional monarchy

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