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Recent Economic Developments in Thailand

The Thai economy is among the most successful and resilient in Asia and is one of the fastest growing in the world. In the 1960's and 1970's Thailand experienced strong, steady growth averaging a 7 percent increase in GDP and a 5 percent growth in per capita income each year. During this period, the expansion of agricultural production contributed substantially to the strong economic performance.

In the early 1980's, with the collapse of commodity prices and the second global oil shock, the economic growth in Thailand slowed significantly to a rate of just 4 percent in 1986. Yet from 1986 onwards, the country turned its economy around through sound macro-economic management which included the promotion of a competitive exchange rate policy, the implementa-

tion of fiscal restraint measures, and a large influx of foreign investment aimed at production for export markets. In addition, growing intra-Asian trade, which increased by 23 percent between 1986 and 1989, contributed to a more mature, diversified market structure. Thailand began to experience economic development averaging a commendable GDP increase of 10 percent per year, reaching 11 percent in 1988 and 13.2 percent in 1989. The Economic Growth Table (I) in the Preface provides a comparative picture of Thailand's economic growth performance over 3 years in relation to other countries.

The overall growth in the late 1980's was accompanied by a restructuring away from an agricultural to an industrial economy oriented to manufacturing, services and external trade. The

TABLE IV

ASEAN ECONOMIES AT A GLANCE

(IN \$US) 1991

	POP (M)	POP. GROWTH	GDP GROWTH	GNP PER CAPITA	EXPORTS (B)	FOREIGN DEBT(B)	INFLATION CPI	CURRENT ACCT(M)
BRUNEI	.3	2.8%	4.5%	\$18,000	\$2.2	0	2.3%	\$500
INDONESIA	183.0	1.8%	6.2%	\$605	\$28.9	\$67.9	9.2%	-\$2,400
MALAYSIA	18.2	2.3%	8.8%	\$2,465	\$34.7	\$19.5	4.4%	-\$1,672
PHILIPPINES	63.6	2.3%	0%	\$725	\$8.9	\$30.4	18.7%	-\$2,700
SINGAPORE	2.7	1.1%	6.7%	\$12,285	\$62.5	0	3.4%	\$2,350
THAILAND	57.3	1.4%	7.9%	\$1,605	\$28.4	\$25.9	6.0%	-\$7,953
ASEAN	325.1				\$165.6	143.7		
CANADA	26.9	.8%	-0.2%	\$21,750	\$127.8	\$149	4.4%	-\$18,718

NOTE:

M = Millions

B = Billions

CPI = Consumer Price Index

GDP = value of all goods and services produced in a country in one year

GNP per capita = GDP + or - surplus or deficit in trade / population

Current Account = surplus or deficit in trade

Source: Asia Week Magazine

IMF Direction of Trade

IMF International Financial Statistics Monthly

World Bank