

Ways of Promoting Economic Cooperation between Korea and Thailand

วิธีการส่งเสริมความร่วมมือทางเศรษฐกิจ ระหว่างไทยและประเทศเกาหลี

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Trends in Korea's Trade with Thailand

(unit : million US\$)

	1997	1998	1999	2000	2001	2002 (1 ~ 10)
Export	2,243	1,540	1,735	2,015	1,848	2,002
Import	1,284	809	1,068	1,631	1,589	1,417
Balance	959	731	667	384	259	585

Source : KOTIS

Thailand is the 13th exporting country of Korea (2002.10)
21st importing country of Korea (2002.10)

Korea is the 14th exporting country of Thailand (2001)
21st importing country of Thailand (2001)

Korea's Investment to Thailand

	1996	1997	1998	1999	2000	2001	2002 (1~2)
No. of Projects	17	13	7	13	18	19	24
Mil. US\$	27.2	188.3	106.8	6.0	32.8	30.8	16.8

Source : Korea Exim Bank

Financial crisis in 1997

- Similar economic conditions under the IMF program
Budget surplus, high interest rate, financial sector restructuring, etc. opening of economy belt-tightening retrenchment

Korea and Thailand's economic growth

- Agriculture-led industry → High value-added one, Investment by businesses Enterprises' high level of borrowing



IMF

- Ignored inter-dependency
- Stressed the opening of economies.

Japanese banks withdrawing loans

- Lack of government leadership

Asian countries reduced imports

- Thailand and Korea suffered difficulties



Vulnerability in both countries' industrial structures

Reliance on Japan for machineries and components

Economic dependency on Japan

Widening trade deficits

Japan

- Transfer of their uncompetitive industries

Trade imbalances



Thailand's economic crisis: "Nukul Report"



Mutual cooperation

- Implementation of joint projects
- Korea: technologies
- Thailand: abundant workforce, competitive agribusiness

Eg.: IT industry, Heavy - and - chemical industries



Joint projects in Indochina

- Greater Mekong Subregion

Investment in the social infrastructure of the GMS

- Korea's experience and technology in construction
- Thailand's information

Cooperation in service industries

- Tourism

Thailand:

- Far advanced than Korea
- Most successfully developed
eg.) hotel industry, tour guide

Korea:

- Poor natural resources
- Military confrontation

New opportunities for bilateral cooperation

- Korea's next government and Thailand's Thaksin government
Similar economic philosophies
- Further expansion into the non-manufacturing sectors

Economic cooperation between Korea and Thailand in the future

- Solidify relationship: Sharing prosperity
- Mutual benefits
- Key role in East Asian economic integration



Thank you!

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