



Thailand's Social Outlook of Q3/2024

Thailand's social situations in the third quarter of 2024 revealed several key trends. The job market remained relatively stable. Household debt growth (in the second quarter) slowed down and credit quality continued to decline, alongside a deterioration in personal and property safety. Consumption of alcohol and cigarettes showed an upward trend. Meanwhile, there were an uptick in cases of monitored diseases and increase in consumer complaints. In addition, three particularly noteworthy social developments are presented in this report: (1) Negative Income Tax: What should Thailand consider in the new tax system? (2) How to manage EV battery waste? (3) When lives depend on public transportation? And article "Chronic kidney disease: Lessons in policy design for the public health insurance system".

The labor market remained relatively stable in the third quarter of 2024. Employment in non-agricultural sectors expanded, while the agricultural sector continued to contract. Both overall wages and those in the private sector increased, although the unemployment rate increased slightly to 1.02 percent compared to the same period in 2023.

In the third quarter of 2024, total employment was 40.0 million, down 0.1 percent from the same period in 2023. The agricultural sector continued to decline by 3.4 percent, primarily due to the impact of flooding, while non-agricultural sectors expanded by 1.4 percent. The transport and storage led the growth with a 14.0 percent increase, followed by accommodation and food services, which grew by 6.1 percent. However, manufacturing, especially in the computer, electronics, and automotive industries, contracted by 1.4 percent. **Despite an increase in average weekly hours worked** to 43.3 hours overall and 47.4 hours in the private sector, some workers expressed a need for additional work hours. Overtime work increased by 3.8 percent, while the quasi-unemployment decreased by 32.9 percent and underemployment increased by 15.0 percent, mostly in the agricultural sector. The unemployment rate increased slightly to 1.02 percent, representing 410,000 unemployed individuals. Key issues to monitor include: 1) **Supporting workforce transition to modern industries** as traditional sectors are struggling to adapt to changing market demands, resulting in job losses, reduced overtime, the utilization of Sector 75, voluntary resignations, and early retirement; 2) **Ensuring that the workforce is equipped with the skills demanded by emerging industries.** The Board of Investment has announced that the majority of the new investments are in emerging industries. These investments are expected to generate approximately 170,000 jobs for Thai workers. There is a need to equip Thai workforce with the necessary skills to take advantage of these opportunities; 3) **Mitigating the impact of flooding on the cost of living.** Agricultural areas suffered substantial damage due to the floods that occurred starting in mid-2024, which could lead to higher prices for agricultural commodities, particularly short-cycle crops. The Ministry of Commerce should closely monitor and regulate prices to protect consumers, especially those affected by the floods.

Household debt growth decelerated in the second quarter of 2024, driven by a tightening of lending standards by financial institutions. The quality of household loans has also been on a downward trajectory. Key issues to watch include the increasing trend of debt accumulation for consumption, rising mortgage delinquencies, the growing reliance of households on informal credit sources, and the urgent need to assist borrowers affected by the floods.

In the second quarter of 2024, household debt totaled 16.32 trillion baht, marking a 1.3 percent increase but slower than the previous quarter's 2.3 percent. This led to a decrease in the debt-to-GDP ratio from 90.7 percent to 89.6 percent. The majority of household debt categories experienced a slowdown or contraction, with the exception of personal loans. This trend can be attributed to a combination of factors, including elevated debt burdens, deteriorating credit quality, and stricter lending standards imposed by financial institutions. This is reflected in the contraction of commercial bank lending to households, which accounts for over one-third (38.5 percent) of total household debt. This is the first time that commercial bank lending to households has contracted. The quality of household loans has been declining steadily. The outstanding balance of non-performing personal loans, as reported by the Credit Bureau, has reached 1.16 trillion baht, representing 8.48 percent of total loans. This figure is higher than the 8.01 percent reported in the previous quarter. This increase was observed across all loan categories. Several key issues need to be addressed in the coming period: 1) **the rising trend of personal consumer loans**, accounting for nearly one-third of total household debt. Given the high interest rates associated with these loans, households risk falling into a debt trap if they lack financial discipline; 2) **the tightening of lending standards by financial institutions may push households towards informal lending**, especially those who have already maxed out their credit limits; 3) **the increasing rate of mortgage delinquencies**, particularly for homes valued below 3 million baht. The fact that some households are choosing to default on their mortgages, despite housing being a fundamental asset, suggests that their income has not fully recovered and they are continuing to experience financial difficulties; and 4) **the impact of floods on household liquidity and repayment capacity is a pressing issue**. The government should closely monitor the effectiveness of relief measures for flood victims and take steps to expedite the recovery process, thereby enabling households to restore their incomes.

The number of cases of monitored diseases increased in the third quarter of 2024. Particular concern is the rising risk of liver cancer associated with hepatitis B and C infections, as well as the increasing prevalence of sexually transmitted infections among youth.

In the third quarter of 2024, there was a 5.9 percent increase in cases of monitored diseases, driven by a surge in pneumonia, hand, foot, and mouth disease, and influenza. Meanwhile, mental health issues among Thais have been on the rise. In terms of physical health, key concerns include: 1) **a rising risk of liver cancer due to hepatitis B and C infections**; and 2) **an increasing trend of sexually transmitted infections among youth**. This is partly due to the increasing trend of engaging in sexual activity at a younger age and the lack of consistent condom use.

Consumption of alcohol and cigarette increased in the third quarter of 2024. Key concerns include the production of substandard alcoholic beverages for consumption, as well as the need to intensify efforts to crack down on the illegal smuggling of cigarettes through an increasing number of shipping service providers.

Alcohol and cigarette consumption increased by 1.3 percent in the third quarter of 2024, with alcohol consumption rising by 1.8 percent and cigarette consumption increasing by 0.6 percent. However, concerns remain about 1) **the production of substandard alcoholic beverages**, often resulting from unsanitary production processes and the use of hazardous ingredients, which can pose serious health risks; 2) **the illicit trade of cigarettes facilitated by shipping services** has become a growing problem, making it easier for minors to access these products.

Safety in life and property declined in the third quarter of 2024. Key issues that require attention include blue lotus consumption, online fraud related to donations or charitable giving, and the need to educate the public about the risks of Ponzi schemes.

In the third quarter of 2024, total criminal cases increased by 33.3 percent compared to the same quarter of 2023. This increase was driven by rises in drug-related crimes, property offenses, and offences against life, body and sexuality. Furthermore, the cumulative number of reported road accidents increased by 7.7 percent compared to the same quarter of 2023. This increase was due to a rise in the number of injured and disabled individuals, while the number of fatalities decreased. Several key issues require attention: 1) **the consumption of blue lotus should be closely monitored** as it has the potential to become a new illicit drug in Thailand, mirroring its classification in many other countries; 2) **online scams, particularly those exploiting sympathy and personal relationships**, pose a significant threat. In 2023, 2.65 million individuals were deceived through such scams, amounting to losses of 2.3 billion baht. These scams often involve fraudulent charity appeals, including those related to natural disasters like floods, where fraudsters deceive victims into donating to fake accounts through QR codes. They also impersonated government agencies to deceive victims to provide personal information on fraudulent websites; and 3) **there is a need for increased education on Ponzi schemes and stricter regulation of social media recruitment**. A joint study by the DSI and the Thailand Science Research and Innovation (TSRI) in 2022 revealed that a majority of Ponzi scheme victims were aware of the nature of such schemes but were lured by promises of high returns. Moreover, victims reported being recruited through social media or influencers.

Complaints filed with the Office of the Consumer Protection Board (OCPB) and the National Broadcasting and Telecommunication Commission (NBTC) increased. Moreover, the spread of products without the Thai Industrial Standards Institute (TISI) certification and the presence of food contaminated with hazardous chemicals are pressing issues that require immediate attention.

In the third quarter of 2024, overall consumer complaints increased by 9.1 percent compared to the same period in the previous year. Both complaints about products and services filed with the Consumer Protection Board (OCPB) and the National Broadcasting and Telecommunications Commission (NBTC) increased by 9.3 percent and 4.4 percent, respectively. In addition, there are two critical issues that require immediate attention: 1) **A surge in non-TISI certified imports, especially electrical appliances**, saw a 6.3-fold increase to 370,000 units in fiscal year 2024. This poses a significant risk of widespread damage that may be difficult to contain; 2) **The presence of unsafe food products, particularly fruit contaminated with hazardous chemicals**, is a growing concern. For example, Shine Muscat grapes have been found to contain excessive pesticide residues, posing a serious health risk. Moreover, nearly half of the detected residues are substances not currently regulated in Thailand.

Negative Income Tax: What should thailand consider in the new tax system?

The Negative Income Tax (NIT) is a mechanism designed to support individuals with incomes below a certain threshold by combining income support and tax incentives into a single system. It is widely regarded as a tool for addressing poverty and reducing income inequality. Insights from the application of NIT across various countries offer valuable lessons, including: 1) **Countries implement NIT systems to achieve different objectives**. For instance, Australia uses a version of NIT through the Family Tax Benefit (FTB), which supports low-income households in raising children; 2) **The differences of the size and structure of benefits significantly influence their impact on poverty across population groups**. For example, the U.S. Earned Income Tax Credit (EITC) provides tax credits based on number of children. This program reduced poverty for unmarried households with three children by 20.2 percent, compared to only 1.5 percent for unmarried childless households; 3) **Although NIT encourage employment among low-income individuals, some conditions may inadvertently discourage additional work**. For example, Singapore's Workfare Income Supplement (WIS) considers total monthly income, including overtime pay, bonuses and commission, when assessing eligibility. This has led to reduced overtime work among some beneficiaries; 4) **Overly complicated systems can limit the accessibility of assistance to inneed populations**. For instance, Australia's FTB involves assessing net income, the number and age of children, caregiving time, and compliance with child vaccination schedules. Such complexities can disproportionately exclude vulnerable households, particularly separated families; and 5) **Countries with successful NIT implementation typically have a low proportion of informal workers**. For example, Sweden has only 3.3 percent of its workforce in the informal sector. Conversely, countries with higher levels of informal labor participation have discontinued the NIT program due to budgetary constraints.

While the adoption of NIT has benefited both the public and the government, there are critical issues that need to be addressed. These include: 1) **The goals and beneficiaries of the NIT system must be explicitly defined**, tailored to Thailand's socioeconomic context; 2) **Thorough studies are required to set income thresholds and benefit levels** that incentivize individuals to work and improve their financial circumstances and also should be reviewed and adjusted to reflect changes in the cost of living; 3) **There should be adequate budget allocation to support NIT**

operations and the study of the impact on individual quality of life and the government's financial burden. This includes canceling the overlapping welfare programs and integrating multiple forms of assistance into a unified system, as well as incorporating NIT recipients who meet income criteria into the tax system with setting penalties and strict enforcement to deter moral hazard.

How to manage EV Battery Waste?

As Thailand aspires to become the center of electric vehicle (EV) production in ASEAN, there are policies both to promote EV manufacturing and encourage citizens to switch to EVs. Currently, Thailand's EV production capacity stands at approximately 400,000 units per year, while the number of domestic EV registrations, particularly for battery electric vehicles (BEVs), increased 16-fold in 2023 compared to 2021. On the other hand, this rapid growth could lead to hazardous battery waste, especially lithium-ion batteries. By 2040, the global total is projected to generate up to 7.8 million tons of such battery waste annually. Therefore, improper management could harm both the environment and public health. Consequently, many countries are prioritizing proper and systematic battery management to address this issue effectively, including: 1) **Setting comprehensive battery management standards** to ensure effective control and management of battery waste throughout its lifecycle is essential. For instance, the European Union (EU) has introduced battery regulations encompassing the entire lifecycle of batteries. These include setting minimum recycling targets and enforcing Extended Producer Responsibility (EPR) measures, which obligate EV battery manufacturers and importers to take responsibility for the proper management and recycling of degraded batteries; 2) **Supporting the research and development in battery recycling technology** is critical, as the EV battery recycling industry remains in its early stages, often yielding insufficient returns to justify investment. For example, Japan has allocated funding to develop advanced recycling technologies capable of efficiently reusing battery components and raw materials; and 3) **Developing a tracking system for battery management** could facilitate the collection and sharing of data among stakeholders in the supply chain. For example, China enforces policies to track the lifecycle data of EV batteries, requiring manufacturers to record detailed information from production to recycling.

In Thailand, battery disposal remains a significant challenge due to: 1) **The absence of specific laws and regulations**; 2) **The lack of clear guidelines** for managing battery waste, leading to its classification as general hazardous waste; and 3) **Insufficient technological advancement**. To achieve sustainable battery waste management, Thailand should undertake the following actions: 1) **Conducting studies and establishing strict, safe, and comprehensive standards that cover the entire battery lifecycle**. This includes adopting the EPR principle, ensuring that manufacturers consider environmental impacts and vehicle users take responsibility for their batteries from purchase through disposal; 2) **Encouraging innovation and technology, along with incentivizing investment and developing human resources necessary for the recycling industry**. This includes fostering collaboration between universities and the industrial sector to advance research on recycling technologies, providing tax incentives to attract private sector investment, and preparing a skilled workforce to support the battery recycling industry; and 3) **Creating a connected tracking system**

that links all stakeholders, including government agencies, private businesses, and the general public. This system will enhance the efficiency of battery management and recycling.

When Lives Depend on Public Transportation?

Public buses are part of a fundamental mass transit, essential for the daily commute of citizens. However, the accidents involving public buses rose by 46.5 percent in 2023 compared to 2022, resulting in a 105.2 percent increase in combined fatalities and injuries. These statistics highlight an alarming trend in the safety of public transportation, with several critical issues contributing to the severity of accident rate, such as:

Poor driving behavior remains the primary factor behind road accidents. According to the Land Transport Safety Bureau, 81.1 percent of public bus accidents were attributed to driver error in 2023. Moreover, **prolonged work hours and confined working conditions on buses also exacerbate this issue**, as drivers must operate in limited spaces for extended periods under varying traffic conditions. These challenges often result in emotional distress. **The neglect of safety measures concerning the condition of public buses** can be categorized into two critical issues: 1) **Many buses in Thailand are outdated and poorly maintained.** For example, over 52.6 percent of BMTA buses in 2024 were standard (cream-red) models that had been in operation for up to 33 years; 2) **Improper modifications to key components of buses further compromise safety.** A prominent example is the installation of non-compliant CNG systems, such as exceeding the registered number of gas cylinders or using expired cylinders, which significantly increase the risk of severe fires or explosions.

Regarding public transportation management in foreign countries, there have been several efficient system management. For example, in **Japan**, drivers are thoroughly checked before each trip, with proactive driving training provided after accidents, along with attitude training and psychological counseling. In **Singapore**, the government has invested in replacing aging buses, revising transportation laws, and enforcing strict penalties. In **European countries**, the use of gas as fuel in large buses is prohibited. Based on the challenges faced by public transportation in Thailand and the management practices of foreign countries, the following recommendations for Thailand can be made: 1) **Improvement of driver quality** by organizing training, quality assessments, and annual physical and psychological health check-ups; 2) **Government support for bus improvement** by considering allocation of a budget to support transportation companies that wish to replace buses or install electric power systems, as well as developing a modern vehicle inspection system; and 3) **Strict enforcement of passenger vehicle safety standards and revision of relevant laws or regulations**, as legal loopholes may be exploited, such as modifying the condition of vehicles and engines by using the "discretion" of the registrar.

Article “Chronic Kidney Disease: Lessons in Policy Design for the Public Health Insurance System”

Chronic kidney disease (CKD) is one of the fastest-growing non-communicable diseases (NCDs) in terms of years of healthy life lost. Between 1991 - 2021, the healthy years lost among Thais

increased by 3.14 times, surpassing the rates for cancer and cardiovascular diseases, which rose by 2 times and 1.8 times, respectively. In addition, in the fiscal year 2024, more than 1.13 million Thais suffered from CKD. The primary causes include dietary and medication habits, diabetes, hypertension, and smoking. In the past, Thailand has implemented preventive measures to prevent the number of patients from increasing, alongside treatment options such as peritoneal dialysis, hemodialysis, and kidney transplantation. On February 1, 2022, the government introduced a policy granting patients under the National Health Security Fund to select their preferred method of dialysis, instead of focusing on peritoneal dialysis as the first priority. This policy resulted in a rapid increase in end-stage renal disease patients using hemodialysis treatment by 88.75 percent within 1 year. There are several related issues that can serve as valuable lessons for future policy formulation: 1) **The number of healthcare professionals and dialysis facilities remains inadequate to meet the growing number of patients.** Each dialysis session requires supervision by medical staff, but the availability of nephrologists and specialized kidney nurses is significantly lacking; 2) **There remains problem of inadequate equipment for end-stage renal disease services.** In 2022, there were 11,613 dialysis machines, representing only a 5.14-percent increase from 2021 and significantly low in comparison to the doubling of users over the same period; 3) **Hemodialysis may not be suitable for all CKD patients.** End-stage renal disease patients undergoing hemodialysis are experiencing higher-than-expected mortality rates, with over 5,500 deaths recorded within just two years, and this number is projected to rise further; 4) **Peritoneal dialysis is more cost-effective than hemodialysis.** According to budget estimates from the NHSO, the annual cost of peritoneal dialysis ranges between 140,000 - 150,000 baht per patient, compared to approximately 160,000 - 170,000 baht per patient for hemodialysis; and 5) **The government budget for end-stage renal disease treatment continues to grow.** Total expenditure for renal replacement therapy across all healthcare schemes increased from 14,181 million baht in fiscal year 2019 to 19,012 million baht in fiscal year 2022. Additionally, the actual government spending on end-stage renal disease treatment consistently exceeds the allocated budget each year.

As a result, on November 4, 2024, the Fund introduced a new guideline to reinstate peritoneal dialysis as the primary treatment option. The measure aims to increase the proportion of peritoneal dialysis services to at least 50 percent of new chronic kidney disease patients requiring dialysis. Additionally, the lessons outlined above suggest that **in the future**, the government might adopt a zero-based budgeting approach. This method involves allocating funds based on current necessities and priorities, rather than relying on previous budget allocations. Such an approach would enable the national health insurance system to focus on value, efficiency, and appropriateness while prioritizing key areas of operation. Emphasis should also be placed on health promotion, disease surveillance, and prevention strategies. This includes fostering behavioral changes such as healthier eating habits, increased physical activity, and regular monitoring and management of blood sugar and blood pressure.

Key Social Indicators

Components	2022	2023	2022				2023				2024		
	Year	Year	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
1. Employment^{1/}													
Workforce (Thousands)	39,903.3	40,447.2	39,622.8	39,764.0	40,088.6	40,142.5	40,281.0	40,302.2	40,531.8	40,673.9	40,226.4	40,178.1	40,484.1
% YOY	0.2	1.4	-0.6	4.3	0.9	1.0	1.7	1.4	1.1	1.3	-0.1	-0.3	-0.1
Employed Person(Thousands)	39,221.1	39,912.0	38,720.2	39,010.9	39,566.0	39,591.7	39,629.2	39,677.5	40,091.3	40,250.1	39,579.0	39,500.7	40,039.5
% YOY	1.0	1.8	0.2	0.3	2.1	1.5	2.4	1.7	1.3	1.7	-0.1	-0.4	-0.1
Unemployed Person (Thousands)	527.0	395.2	607.6	546.6	491.4	462.5	421.1	429.0	401.2	329.3	407.7	429.1	413.9
Unemployment Rate(%)	1.32	0.98	1.53	1.37	1.23	1.15	1.05	-21.5	0.99	0.81	1.01	1.07	1.02
Underemployed Person (Thousands)	273.3	202.1	319.1	263.6	234.5	275.9	227.9	202.6	166.9	210.9	191.5	162.4	191.9
2. Household Debt^{2/}													
Household debt value (Trillion baht)	15.9	16.4	15.4	15.5	15.7	15.9	16.0	16.1	16.2	16.4	16.4	16.3	N.A.
% YOY	3.9	2.9	3.6	3.4	4.2	3.9	3.8	3.8	3.3	2.9	2.3	1.3	N.A.
Ratio to GDP (%)	91.6	91.4	93.7	92.8	91.6	91.6	90.8	90.9	91.0	91.4	90.7	89.6	N.A.
NPL (Billion baht) ^{3/}	0.98	1.05	0.95	1.11	1.09	0.98	0.95	1.03	1.05	1.05	1.09	1.16	N.A.
% YOY	3.0	6.6	7.5	21.4	13.0	3.0	-0.2	-7.3	-4.0	6.6	14.9	12.2	N.A.
% NPL to Total Loan	7.44	7.65	7.47	8.60	8.36	7.44	7.18	7.66	7.73	7.65	8.01	8.48	N.A.
3. Health and Illness													
Number of patients under disease surveillance (person)^{4/}													
- Measles	249	317	32	38	96	82	58	88	107	113	543	136	504
- Meningococcal fever	18	11	3	2	3	10	2	2	4	3	2	2	3
- Encephalitis	923	893	241	213	264	205	303	209	194	187	516	216	242
- Cholera	5	3	1	0	1	3	1	0	1	1	2	0	0
- Hands, feet and mouth	98,982	64,021	740	4,734	79,223	14,285	11,483	9,305	29,974	13,636	15,957	7,847	49,610
- Dysentery	1,572	1,541	352	382	467	371	461	370	396	314	485	373	533
- Pneumonia	231,105	292,676	51,849	50,300	68,072	60,884	78,443	57,880	81,054	76,945	96,395	75,975	115,246
- Leptospirosis	3,601	4,460	231	529	1,376	1,465	622	797	1,591	1,473	767	732	1,348
- Dengue fever	45,145	157,142	1,461	9,485	19,625	14,574	10,948	23,636	76,579	46,548	24,131	17,702	42,328
- Influenza	79,374	478,175	8,247	4,859	31,498	34,770	39,457	25,682	211,103	202,741	121,074	99,895	220,228
- Rabies	3	4	1	0	0	2	1	1	0	2	0	1	2
Rate per 100,000 population of death with major chronic non-communicable diseases													
- High blood pressure	15.40	N.A.	No quarterly data available								N.A.	N.A.	N.A.
- Ischaemic heart disease	35.10	N.A.									N.A.	N.A.	
- Cerebrovascular disease	58.00	N.A.									N.A.	N.A.	
- Diabetes	25.90	N.A.									N.A.	N.A.	
- Cancer and tumors	127.90	N.A.									N.A.	N.A.	
4. Safety of life and property^{5/}													
- Against life, body, and sexuality crimes (cases)	15,166	18,696	3,697	3,695	3,820	3,954	4,637	4,788	4,596	4,675	5,151	4,900	5,128
- Property crimes (cases)	50,438	63,313	12,549	12,014	13,404	13,471	14,781	14,251	16,825	17,456	17,429	17,007	20,382
- Narcotics (cases)	361,290	303,829	86,493	92,224	87,189	95,384	85,546	70,060	69,371	79,906	90,143	91,014	95,301
- Receiving notification of cumulative victims ^{5/}	942,158	821,882	225,219	225,856	246,265	244,554	208,612	200,037	196,822	217,234	223,241	201,049	211,979
- Fatalities due to land accidents (deaths)	14,965	14,126	3,510	3,570	3,649	4,285	3,781	3,547	3,133	3,653	3,734	3,272	3,097
5. Consumer Protection													
5.1 Number of Complaints^{7/} (case)													
- Contracts	2,815	1,924	432	796	1,202	385	477	561	455	431	467	420	686
- Labelling	4,638	2,421	830	1,018	1,652	868	793	508	474	646	584	533	886
- Advertising	4,709	3,634	740	1,995	1,220	754	2,474	330	360	470	807	397	742
- Direct Selling and Direct Marketing	4,779	2,378	538	1,093	1,971	1,177	741	513	588	536	609	600	711
- Others	3,565	21,807	-	-	-	3,565	8,146	5,592	4,428	3,641	3,319	3,567	3,869
5.2 Consumer Complaints filed to NBTC^{8/} (case)													
	3,431	1,593	1,780	624	502	525	474	371	297	451	414	340	310

Source: ^{1/} Labor force survey report, National Statistical Office, Ministry of Digital Economy and Society

^{2/} Bank of Thailand

^{3/} National Credit Bureau

^{4/} Bureau of Epidemiology, Department of Disease Control, Ministry of Public Health

^{5/} Criminal Record and Information Management Enterprise System (CRIMES), Royal Thai Police

^{6/} Claims filed under Protection for Motor Vehicle Victims Act., Road Accidents Data Center for Road Safety Culture (THAI RSC)

^{7/} Office of the Consumer Protection Board, Office of the Prime Minister

^{8/} Office of The National Broadcasting and Telecommunications Commission (NBTC)