



## Thailand's Social Situation and Outlook in Q2/2019

The Office of the National Economic and Social Development Council (NESDC) released the official report on Thailand's social situation and outlook in the second quarter of 2019, of which key issues included an increase in income and labor productivity, and a decrease in road traffic accident. However, there were still some major issues require close monitoring including a decline in employment, an increase in household debt, an increase in diseases under surveillance, an increase in alcoholic beverage and cigarette expenditures, and a decline in security of life and property by considering increased criminal cases. Moreover, there were also interesting social situations including reading more and spending more time in reading for Thai people but school-aged children still have difficulty in reading and lacks of reading skill, teenage pregnancy and educational opportunities, Thailand has been ranked as a "Tier 2" for the 2nd consecutive year in solving Human Trafficking Problems, and also the article "Preventable road accident". The summary is as follows.

### **Employment decreased. Unemployment rate was still low. Labour income increased.**

In Q2/2019, there were 37.8 million people employed, declined by 0.3 percent from Q2/2018. Employment in agricultural sector continuously decreased by 4.0 percent caused by inclement weather and insufficient amount of water for agricultural activities whereas employment in non-agricultural sectors expanded by 1.5 percent. Economic sectors that had higher employments included transportation and storage, construction, education, and hotel and restaurant, increased by 7.2, 6.2, 3.1, and 1.1 percent respectively. For sectors that had reduced employments included wholesale/retail and manufacturing sector, decreased by 0.4 and 0.5 percent respectively, which was consistent with the slowdown exports. Unemployment rate was equal to 0.98 which slightly increased from 0.92 as of the previous quarter but it was lower than the unemployment rate of Q2/2018 at 1.07. Real wage in private sector increased by 4.7 percent with the agricultural sector increasing by 5.4 percent, while the non-agricultural sector increased by 3.7 percent. Overall labour productivity increased by 2.6 percent.

Issues that should be monitored in the future include:

- 1. The drought situation that will further affect agricultural activities and farmers' income.** The Thai Meteorological Department forecasted that the amount of water during the rainy season in 2019 will be less than in 2018 approximately 5-10 percent less than

normal values. Such a situation will affect a large area of cultivated land and will continue to affect agricultural activities and incomes of farmers in the next period. However, currently the relevant government agencies have implemented policies for mitigation of drought problems, such as the operation of the Royal Rainmaking, supporting tools such as water trucks and pumps to solve problems in the area. Moreover, there were also measures that helped farmers in short-term such as supporting monetary compensation and low interest funds, and the preparation of rice grains for distribution to farmers.

**2. The economic slowdown following the contraction of the export and tourism sectors may affect employment in the next phase.** The exports contracted in the first half of the year. Exporting products with a significant contraction included agricultural products such as rice, rubber, cassava, and sugar, and industrial products such as rubber products, computer equipment parts, integrated circuits and passenger car parts, machinery equipment, chemicals, and petroleum products. This export contraction was expected to affect approximately 5.1 million people in total. At the same time, the number of tourists was likely to slow down which may affect the labour in the service sector and related industries. However, the Cabinet previously approved the issuance of measures to alleviate the effects of the economic slowdown, such as the cost of living mitigation measures through the state's welfare card, a moratorium on village funds, and other measures to stimulate domestic consumption and investment.

**3. Preparation to support new business models that are growing rapidly** include express delivery services such as Lineman, Grab, Foodpanda, Get, and Skootar which are parts of the transportation/storage sector. Employment in this sector has gradually increased especially in this quarter increased by 7.2 percent and is likely to grow continuously according to growth of E-commerce businesses. In this regard, government agencies need to review regulations to cover employment in this new kind of jobs, new working patterns so that workers under new kind of business through the online platform are protected as same as other sectors. Moreover, it should be linked with the consumer protection for customers who use this online platform services to receive standardized services and not to be deceived.

#### **Household debt continued to increase.**

In Q1/2019, household debt was equal to 13.0 trillion baht, increased continuously by 6.3 percent and accounted for 78.7 percent of the total GDP which was the highest among the previous 9 quarters since Q1/2017. It has continuously increased since mid-2017 onwards. For Q2/2019, household debt is likely to increase and it is required close monitoring because the overall commercial bank loans for personal consumption increased at a high level of 9.2 percent. The outstanding balance of personal consumption loans of commercial banks expanded by 11.3 percent, the highest in 4 years since Q4/2015 onwards.

Outstanding loans for housing and automobiles expanded by 7.8 and 10.2 percent, decelerated from 9.1 and 11.4 percent in the previous quarter respectively.

Overall, non-performing loans (NPLs) increased with the outstanding balance in Q2/2019 worth 127,439 million baht, increased by 10.0 percent from the same period last year. It was accounted for 2.74 percent to total loans and 2.75 percent to total NPLs. The outstanding non-performing loans for cars and credit cards increased at an accelerated rate of 32.3 and 12.5 percent respectively, as well as personal loans under high supervision which were still at high level and credit card loans with outstanding balances over 3 months and over which returned to expand again.

As for the trend of household debt in the second half of 2019, housing loans are expected to slow from the first half due to the demand for housing is likely to decrease and the restrictions of financial institutions in lending. However, credit quality tends to be less quality since previously there were measures to regulate housing loans (LTV), commercial banks competing to grant credits in relaxed approval criteria, as well as providing loans for housing in an amount higher than the real value, which allowed borrowers to get more cash back to spend.

However, during the past, the government has taken measures to oversee the continuous expansion of household debt and created opportunities to access credit for low income people at the same time by **(1) Supervising credit expansion** The Bank of Thailand has revised several regulations for credit lending to cover all new household debt creation, such as housing loans with Loan to Value (LTV), credit card loans, car title mortgage loans, and has also driven the concept of sustainable financial business operations through the emphasis on corporate governance at the organizational level and broad sense. **(2) Creating opportunities for credit access to reduce inequality** by using mechanisms from state-owned specialized financial institutions (SFIs) so that people or small entrepreneurs who cannot access the funding sources of commercial banks in the normal system can access to loans, such as promoting Krung Thai Bank to operate more in informal debt markets including Pico Finance, Nano Finance, modification of loan approval criteria with car registration, and the announcement of the People Financial Institution Act B.E. 2562.

**In term of illness, influenza and dengue fever must be monitored continuously.**

In Q2/2019, the total number of patients with surveillance increased from Q2/2018 by 25.9 percent. The number of influenza patients increased by 135.4 percent due to seasonal spread. An outbreak was in a place where there was a gathering of many people which was most commonly found in schools. The majority of patients were found in children aged 5-14 years. Dengue fever patients increased by 30.7 percent, the highest cases in the northeastern region because many areas had heavy rain and flooding which is a breeding ground of Aedes mosquitoes, carriers of the disease. In addition, there were other issues needed to be closely monitor including surveillance of sexually transmitted diseases

in syphilis among teenagers which is likely to increase, severe psychiatric patients from drug addiction who received treatment for drug addicts that increased by 15.3 percent from 2017, and non-communicable diseases (NCDs) in working age population which increased and can affect themselves, family, community and society.

#### **Alcoholic beverage and cigarette consumptions increased.**

In Q2/2019, the overall consumptions on alcoholic beverages and cigarette grew by 4.6 percent. The amount of alcohol consumption increased by 6.9 percent while cigarette consumption increased by 0.9 percent. There were still issues that need to be cautious including (1) Second-hand and third-hand smoke in the home which affects the health of people in the home and the risk of many diseases: According to a study by the Tobacco Control Research and Knowledge Management Center (TRC) in 2017, there were 4.96 million households with smokers. Non-smokers receive an average of 10.33 million by being second-hand smoke in the house. (2) The spread of hybrid cigarettes which is a combination between conventional cigarettes and electric cigarettes. It is designed as a tube, can insert a cigarette into it. It is easy to carry, easy to use, and the smoker receives nicotine just like a normal smoker. Research has found that nicotine is the substance that causes the highest addiction than heroin, so people who want to quit smoking by turning to smoking electric cigarettes or hybrid cigarettes tend to become those who smoke both types of cigarette and cannot quit smoking. Therefore, the best innovation that is safe for the health of people who smoke is to quit smoking.

#### **Overall criminal cases increased from narcotic cases.**

In Q2/2019, overall criminal cases increased by 16.9 percent from the same quarter in 2018. There was a 21.6 percent increase in narcotic cases due to the government's high level of importance on drug problem resolution by preventing new problems and treatment of drug addicts back to society happily and turning them to be accepted by society. Crimes against life, body and sexual assaults decreased by 2.9 percent. Crimes against property decreased by 6.9 percent as the related agencies have suppressed all forms of crime to promote a peaceful and inclusive society for sustainable development to allow everyone be able to access justice.

#### **The accident was reduced while the number of deaths and the value of damage increased.**

In Q2/2019, the situation of road traffic accident declined from the same quarter of 2018 by 10.6 percent while number of deaths and property damages increased by 3.0 and 8.4 percent respectively. The major cause of accidents is driving faster than the law. The type of vehicle that has the highest accident is still a motorcycle, accounted for 40.1 percent of all accident vehicles. In the first half of 2019, public car accidents decreased by 7.6 percent, partly due to the regulation for all types of public transportations including buses, vans,

towing vehicles, and large trucks (10 wheels or more) to install GPS tracking in order to track and control driver's driving behavior in real time. However, each bus accident often causes enormous loss. Therefore, there must also be surveillance and reduction of accidents during normal time and upcoming festival time by restricting drivers to comply with the law, validation of driving license, stop driving while drunk, and increasing traffic rule compliance.

**The complaint received through the OCPB increased in advertising complaints while the complaints received through the NBTC decreased.**

In Q2/2019, the Office of the Consumer Protection Board (OCPB) received 113.7 percent increase in product and service complaints from the previous quarter as a result of a significant increase in advertising complaints, especially from exaggerated advertising of game shows giving away prizes, a buffet restaurant that sold advance tickets that were not be able to use, internet services and clinics/beauty institutes/beauty salons that were not as advertised. Meanwhile, the complaints through the Office of The National Broadcasting and Telecommunications Commission (NBTC) decreased by 19.4 percent from the previous quarter, which were mostly about mobile phones. As for the complaint issues, most of them were about the standards and quality of service, extra services, incorrect service charge, and service canceling, respectively. Moreover, there was issue of food supplements which is about its exaggerated advertising, hiring actors or celebrities as a presenter to motivate consumers, using of dangerous substances or substances under control which may have side effects may cause death to consumers, use of counterfeit FDA numbers that did not match the product, and modification of original ingredients. Therefore, the government should have serious regulatory measures, not to be fooled by producers, and should inform the characteristics of good dietary supplements. In addition, Consumption of dietary supplements for special groups should be warned, such as women who are pregnant or do breastfeeding, and people with chronic illnesses who need to take medication regularly. channels for investigation of complaints should be informed in so that consumers can be another mechanism for resolving problems.

**Thai people read more and spent more time for reading but school-aged children still had difficulty in reading and lacks of reading skill.**

In 2018, Thai people aged 6 years and over reading book and electronic media accounted for 78.8 percent or 49.7 million people. The average time of reading was 80 minutes per day. Although the overall reading of Thai people improved both in terms of number of readers and the time they spent on reading, there were still issues that need to be solved. (1) 13.7 million people or 21.2 percent of population did not read, reflecting that the activities promoting reading habit were not as successful as they should be. (2) Approximately 1.1 million of small children under 6 years old or 24.8 percent did not read because they were seen as too young, and 1.45 hundred thousand children read only

electronic media which is needed campaigns to educate and create understanding to parents and society because promoting reading for children as appropriate as their development will encourage preschool-aged children to have more opportunities to read books. On top of that, letting children stay with the electronic media too much may pose a number of risks especially to their learning development. (3) About 5.1 hundred thousand people, or 7.3 percent of school children aged 6-14 years had problems with illegibility and difficulty in reading, reflecting that education management at the basic education level still has problems that need to be improved both in the curriculum and methods of teaching. (4) Thai children still lack reading skills. Considering the assessment of PISA 2000 through PISA 2015, it was found that among students aged 15 years still had problems with reading skills with an average score of 409 which is lower than the international average and less than neighboring countries in Asia. About half of the students did not have basic reading level, which was considered a risk group for further education and for being a valuable labour for the country. In addition, almost no students had high reading skills.

### **Teenage pregnancy and educational opportunities**

According to the Ministry of Public Health data in 2017, the number of maternity women at age 10-19 years was 12.9 percent. The birth rate of women aged 15-19 years per 1,000 female population of the same age was 39.6 percent and the birth rate of women aged 10-14 years per 1,000 female population of the same age was 1.3 percent. Despite a downward trend, the numbers were still high and had to be continuously monitoring because they were still in an age that should be in the education system and most of them were not ready to have children. In 2018, 51 percent of pre-pregnancy teens are students. While pregnant, 23.3 percent of them have studied in the same educational institutions and only 5.1 percent graduated. Most of them had to stop studying/resign and must suspend study temporarily. As for the lifestyle after childbirth, it was found that most of them had to stay at home to raise children. However, after enforcing the Prevention and Solution of Adolescent Pregnancy Act (BE 2559), it was found that the proportion of teenage mothers who were students had more opportunity to go back to study in the same school or they can study in informal system instead. In addition, it was expected that the enforcement of the Education Ministerial Regulations on "Specify the type of school and the operation of the school to prevent and solve the problem of teen pregnancy in 2018", which came into effect since last April, will make teenage mothers who were students to have more opportunities to be in the educational system until graduation again.

**Thailand has been ranked as a "Tier 2" for the 2nd consecutive year in solving Human Trafficking Problems.**

From the TIP Report in 2019, the U.S. Department of State announced 187 countries around the world, with Thailand being ranked in the "Tier 2: Countries whose governments

do not fully comply with the TVPA's minimum standards, but are making significant efforts.” as same as in 2018. Thailand has shown an increase effort to carry out important, serious, preventive, and progressive solutions, but not yet able to eliminate human trafficking in accordance with the minimum standards of the U.S. law. The report gave suggestions that there are still various problems that Thailand has to solve and develop in terms of the protection and litigation and protection. The important operations in Thailand have shown increased efforts, such as imposing strict penalties for offenders, sorting and referring victims to multidisciplinary teams, and organizing registrations of foreign workers in Thailand.

### **The article “Preventable road accident”**

**Road safety situation in Thailand** The Global Status Report on Road Safety 2018 prepared by the World Health Organization stated that the number of road deaths in Thailand ranked 9<sup>th</sup> in the world, with 22,491 deaths or 32.7 deaths per 100,000 population. Even the number was likely to decrease after 2016, Thai road deaths were still 1<sup>st</sup> in Southeast Asia. The highest number of people killed in road accidents were in the age group 15-24 years, about 4,436 people. Among these number, males were approximately 3.8 times more likely to die than females. Motorbikes were the vehicles that cause the most accidents, of 40,306 cases (39.6 percent). For the cause of road accidents, about 50 percent of them caused by reckless driving such as cut-off driving, driving faster than the law limit, and driving very close to others. Road accidents caused economic and social losses of more than five hundred billion baht per year or 6 percent of GDP.

**Concept of solving road accident problems** Nowadays, there has been a change in concept from the point of view that road users were the cause of problems to the concept of shared responsibility on road safety by using management methods aimed at creating a Safe System Approach with all relevant factors including people, vehicles, and roads into a holistic view and accepted the fact that humans have limitations in their ability and physical weakness. If other factors involved in the system such as roads or vehicles are not faulty or designed to handle these mistakes, they will help reduce the rate of loss or can alleviate the violence. There are 4 main solutions: (1) *Safe road users* They must be aware of safety and obey traffic rules. (2) *Safe vehicles* It has the ability to handle impacts in an accident and reduce the risk of collisions and the severity of injury to the driver, pedestrians, and bicycle users. (3) *Safe roads and roadside conditions* They must be designed to be safe. Equipment must be installed on the road to prevent injuries and death in the event of an accident. (4) *Use of safe speeds* Vehicle speed reflects the risk of road hazards. By driving too fast or with a higher speed, the likelihood of accidents will also increase accordingly.

**Road safety policies and operations in Thailand** In the past, road safety is an important issue, Therefore, there were a master plan for road safety articles (BE 2561– 2564), an integrated plan to prevent and reduce road accidents during the festival, and other laws

and regulations that associated in order to reduce accidents and loss of life and property. Moreover, road safety systems were implemented including awareness raising and information campaigns such as drunk driving, wearing a helmet, etc. Raising awareness among car users to use safe speeds campaign was also implemented through community involvement in the area. Various car criteria were defined to improve the engineering safety. There were continuous road safety management and control of the use of vehicle speed to be at the rate required by law.

**Recommendations for creating road safety** Road accidents are a matter that can prevent and reduce losses under the Safe System Approach, with the following guidelines:

1. Raise the level of road safety standards to 3 stars, according to international guidelines, by examining and improving road routes. The roads with original traffic should be inspected and improved to be in a safe condition for cars, motorcycles, bicycles and pedestrians. For the construction of new roads, it should be set to at least 3 stars and above according to the rules of the International Road Assessment Program (iRAP).

2. Enforce the law seriously and continuously throughout the year. Certain laws should be focused on speed limit, driving while drunk, using of the equipment required by law, as well as encouraging the use of technology in the traffic operation.

3. Promote the use of technology and innovation to reduce road accidents by introducing Artificial Intelligence (AI) systems to alert drivers, administrators and relevant people when the driver has a dangerous behavior while driving.

4. Support local participation in the construction of road safety systems in their area by surveying roads and improving roadblocks that are at risk of accidents such as tree care, reducing blind spots, as well as campaigning and awareness building to strengthen road safety behavior for children and youth.

5. Develop a systematic and integrated accident data system to be able to use as a national database which covers information in every dimension.

6. Promote a main agency for road safety that can integrate operations between relevant departments and network associates from all sectors In terms of budgets, plans, projects, monitoring and evaluation, as well as information systems Including the development of road safety management mechanisms at the area level In order to be effective in practically reducing the rate of loss of life and property.

## Key Social Indicators

Components	2560	2561	2560				2561				2562	
	Year	Year	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<b>1. Employment</b> <sup>1/</sup>												
Workforce (Thousands)	38,100	38,434	38,216	38,267	38,168	37,748	38,145	38,482	38,725	38,382	38,365	38,420
%YOY	0.4	0.9	-0.3	0.3	1.3	-0.4	-0.2	0.6	1.5	1.7	0.6	-0.2
Employed Person (Thousands)	37,458	37,865	37,443	37,538	37,647	37,205	37,361	37,885	38,301	37,911	37,703	37,782
%YOY	-0.6	1.1	0.6	0.4	-1.6	-0.6	0.2	0.9	1.7	1.9	0.9	-0.3
Unemployed Person (Thousands)	451	404	463	465	453	422	474	411	373	359	351	377
Unemployment Rate (%)	1.2	1.1	1.21	1.22	1.19	1.12	1.24	1.07	0.96	0.93	0.92	0.98
Underemployed Person (Thousands)	303	293	293	352	217	237	336	283	319	232	336	239
<b>2. Health and Illness</b>												
<b>Number of patients under disease surveillance</b> <sup>2/</sup>												
- Measles	3,185 (88.6)	5,556 (74.4)	367	295	479	785	630	632	1,186	3,108	1,756	1,051
- Meningococcal Meningitis	28 (64.7)	20 (-28.5)	5	5	7	6	1	9	3	7	4	4
- Japanese encephalitis	815 (5.5)	745 (-8.5)	259	143	193	143	182	231	200	132	240	178
- Cholera	8 (-84.3)	5 (-37.5)	2	2	2	2	0	2	2	1	5	4
- Hand, Foot, Mouth	70,189 (12.2)	70,008 (-0.3)	11,450	19,958	35,168	7,982	10,079	14,626	32,718	12,585	9,158	12,652
- Dysentery	4,847 (27.9)	3,399 (-29.8)	1,329	1,410	1,130	784	1,132	965	741	561	627	702
- Pneumonia	267,741 (10.4)	283,601 (5.9)	63,869	53,578	79,622	68,401	74,881	58,699	90,160	59,861	72,817	51,005
- Leptospirosis	3,474 (51.3)	2,540 (-26.8)	573	592	1,666	1,132	402	637	932	569	457	486
- Dengue Fever	53,189 (16.8)	86,922 (63.4)	7,060	9,170	32,410	5,521	6,830	24,029	35,564	20,499	15,482	31,426
- Influenza	171,811 (16.7)	183,363 (6.7)	19,742	18,508	109,057	50,567	40,995	25,698	73,042	43,628	132,787	60,518
- Rabies	8 (-62.5)	15 (87.5)	2	3	2	1	7	3	3	2	0	2
<b>Rate per 100,000 population of death with major chronic non-communicable diseases</b>												
- High blood pressure	11.0 (37.5)	n.a.	No quarterly data available									
- Ischaemic heart disease	27.8 (3.3)	n.a.										
- Cerebrovascular disease	38.7 (7.2)	n.a.										
- Diabetes	17.5 (17.4)	n.a.										
- Cancer and tumors	107.9 (3.0)	n.a.										
<b>3. Social Security</b>												
- Patients from road accidents (cases)	8,491	7,506	2,304	2,111	1,756	2,320	2,031	1,746	1,590	2,139	2,198	2,063
- Crimes against person (cases)	18,249	17,524	5,120	5,032	4,573	4,357	4,403	4,560	4,083	4,478	4,327	4,485
- Property crimes (cases)	56,778	53,456	15,167	14,102	14,486	14,305	12,932	13,185	13,557	13,782	11,877	10,485
- Narcotics (cases)	278,807	355,584	77,627	61,399	71,250	75,681	79,355	93,110	89,414	93,705	85,846	93,793
<b>4. Consumer Protection</b> <sup>3/</sup>												
<b>4.1 Number of complaints (cases)</b>												
- Contract/Property	3,707	4,350	548	1,380	928	851	660	795	1,072	1,823	2,732	5,839
- Goods and service	2,026	2,092	618	472	486	450	522	433	482	664	1,170	1,050
- Advertisement	2,425	1,434	432	872	734	432	330	253	417	434	459	706
- Law	0	0	0	0	0	0	0	0	0	0	0	0
- Direct sales and marketing	712	941	103	128	156	325	254	180	220	286	377	651
<b>4.2 Hot line 1166 (cases)</b>	<b>45,311</b>	<b>52,504</b>	<b>12,071</b>	<b>12,681</b>	<b>9,432</b>	<b>11,127</b>	<b>11,082</b>	<b>14,879</b>	<b>13,684</b>	<b>12,859</b>	<b>11,759</b>	<b>11,579</b>

- Source: 1/ Labor force survey report, National Statistical Office, Ministry of Information and Communication Technology  
2/ Bureau of Epidemiology, Department of Disease Control, Ministry of Health  
3/ Office of the Consumer Protection Board, Office of the Prime Minister