



NESDC News

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Thailand's Social Situation and Outlook in Q3/2019

The Office of the National Economic and Social Development Council (NESDC) released the official report on Thailand's social situation and outlook in the third quarter of 2019, of which key issues included a low unemployment rate, a slowdown of household debt growth, a decrease in diseases under surveillance, 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 alcoholic beverage and cigarette expenditures, and an increase in criminal cases due to the increasing narcotic cases. Moreover, there were also interesting social situations including; 1 out of 5 of Thai children are multi-dimensionally poor, protecting children and juveniles from online threats, the NextGen Work, and also the article "The progress of human development in Thailand". The summary is as follows.

The economic slowdown has not shown much impact on the labor market.

In Q3/2019, the employment decreased by 2.1 percent year-over-year. Employment in agricultural sector decreased by 1.8 percent which was a continuous decline for the third quarter from inclement weather. Employment in non-agricultural sectors also decreased by 2.3 percent due to the economic slowdown and the decline of exports. Economic sectors that had lower employments included manufacturing sector, wholesale/retail, and construction, decreased by 5.2, 4.1, and 2.2 percent respectively. Meanwhile, employments in hotel/restaurant sector and transportation/storage sector increased by 3.1 and 1.0 percent respectively as a result of the expansion of the number of tourists.

Working hours did not change much. Even the employment decreased, the average number of working hours was still the same as Q3/2018. The number of working hours increased by 0.4 percent due to the adjustment of firms that reduced the hours of overtime and the employment of labor with low productivity and working hours first. As a result, the average working hours in all sectors did not change much. **Overall labor wages slightly increased** to 14,334 Baht/month while the average wage for private sector was equal to 12,847 Baht/month which were accounted for 1.8 and 2.5 percent increases respectively. When deducting inflation at 0.6 percent, the real wages of the private sector increased by 1.9 percent. Labor productivity (Gross domestic product per worker) had a value of 69,329 baht per person, an increase of 4.6 percent.

Meanwhile, the unemployment rate was 1.04 percent or 0.394 million people, slightly increased by 5.5 percent year-over-year. The main reason is due to the economic slowdown and inclement weather. Unemployment increased for both who have worked and also who have never worked before by 8.4 and 3.0 percent respectively partly because of the season when new graduates entered the labor market. When considering unemployment according to education level, it was found that those who completed bachelor degree had the highest unemployment rate at 2.15 percent, followed by vocational graduates, high vocational graduates, lower secondary school graduates, upper secondary school graduates, and primary school or lower graduates. It also showed that those who graduated from bachelor degree, vocational education, and lower secondary education had increasing unemployment rates comparing with the same quarter of the last year.

Employment trends in Q4/2019 expected that the economic slowdown has not shown much impact on the labor market. By looking at the Labor Force Survey in October 2019, the unemployment rate is still low at 0.9 percent or equivalent to 0.355 million unemployed. Although the total labor force and the employment decrease by 1.7 and 1.6 percent respectively, it is because they are ones who move out of the labor force especially the elderly and houseworkers who enter into the labor force occasionally according to season. It was found that there were 19.2 million people who were outside the labor force and it was increased by 5.1 percent. In addition, the structure of the Thai labor market is flexible, with workers who are laid off in the formal system are able to easily move to work in the informal sector instead, especially by moving to the agricultural sector.

However, there are signs of the effects of the economic slowdown which must be followed up as follows: (1) The number of unemployment benefit applicants has continuously increased. At the end of Q3/2019 there are accounted 1.72 hundred thousand persons or 1.5 percent of the total number of insured persons under Section 33, the highest since the economic crisis in 2009 which was accounted for 2.2 percent at that time. (2) Domestic and foreign orders declined. The business index in domestic orders declined continuously for the 11th consecutive month while foreign orders continued to decrease for the 6th quarter, which may affect employment in the export-goods manufacturing industry. (3) A reduction of working overtime: the number of employed persons over 50 hours decreased by 7.9 percent in Q3/2019 which is a continuous decline since Q4/2016 onwards. (4) Firms requesting to use Section 75 in accordance with the 1998 Labor Protection Act, as amended 2008 (as a measure that allows companies to temporarily stop work by paying a minimum wage to employees more than 75 percent of wages): By Q3/2019, there were the total number of 48,015 affected workers from 93 firms nationwide which divided into 21,297 people who were affected by partial business closures and 26,718 people who were affected by complete business closures.

Issues that need to focus on the labor market include:

1. Closely monitoring the employment termination situation and monitoring of workers receiving compensation for termination of employment as specified by law. Affected workers should be facilitated such as organizing labor markets, promoting job applications and job opportunities.

2. Implementing measures to alleviate the effects that may occur on labor such as:

- Asking for cooperation from firms in order to delay layoffs, such as reducing working hours/days, or pausing firm operations in accordance with Article 75. Voluntary resignation with employment termination should be the last resort.
- Measures to increase/change working skills differently and give opportunities to change their career paths, especially for unskilled labors and semi-skilled labors, which found that the unemployment rate in these groups are increasing and are likely to be affected in the long term due to business closures and relocation of production bases, coupled with the attractiveness of Thai investments that focused on technology-based production that will require skilled labors instead.

Household debt increased by 5.8 percent, slowing down from the previous quarter.

The household debt situation in Q2/2019 was worth 13.08 trillion baht, expanding by 5.8 percent, which decelerated from 6.3 percent in the previous quarter. It accounted for 78.7 percent of the GDP due to the result of the economy in Q2 decelerated faster than household debt. When considered by each category, it was found that housing loans grew by 7.8 percent, decelerated from 9.1 percent in the previous quarter. Likewise, loans for automobiles slowed down by 10.2 percent from 11.4 percent. Whereas loans for other personal consumption increased continually, grew by 11.8 percent compared to 11.3 percent as a result of the expansion of both credit card loans and other personal loans.

The overall credit quality is within the surveillance criteria since many credit types have increased risks. The non-performing loan (NPL) outstanding amount of commercial banks in the Q3/2019 was 133,254 million baht, an increase of 12.2 percent from the same period last year, representing 2.81 percent of total loans. The NPL ratio of housing loans stood at 3.49 percent, up from 3.34 percent in the previous quarter. For car loans, the NPL ratio increased to 1.86 percent from 1.82 percent in the previous quarter. While the NPL ratio of credit card loans was 2.65 percent compared to 2.48 percent in the previous quarter, and the NPL of other personal loans was at 2.36 percent, down from 2.42 percent.

The tendency of household debt in the second half of 2019 is expected to slow down from the first half of the year. However, the proportion of household debt to GDP continues to increase due to the economic tendency in the second half of the year that

expanded slowly, whereas the household debt is likely to slow down as a result of the following: (1) Housing loans remained stable from the first half of the year because of demand for housing that has a decelerating tendency, the excess supply of the property market and the strictness of financial institutions in lending. (2) Car loans slowed down due to the decreased sales of cars and motorcycles, also most financial institutions that are still strict on credit lending. Meanwhile, loans for other personal consumption tend to increase according to the increasing credit card loans.

In the past, the government has implemented various measures to continuously monitor and keep track of the expansion of household debt, such as (1) promoting proactive financial literacy with a focus on target groups, whether vocational groups, early working-age groups, children and youth, and farmers. (2) Controlling proper indebtedness in both debtors and lenders. The Bank of Thailand has taken various actions to oversee the issuance of various types of loans, such as regulations on car title mortgage loans, Loan to Value (LTV) Criteria, and study of setting standards for calculating the Debt Service Ratio (DSR). (3) Assisting debtors to alleviate the distress suffered from natural disasters and using debt restructuring measures.

Illness must be continuously monitored for dengue fever.

In Q3/2019, the overall number of patients under surveillance decreased by 5.2 percent from the same quarter of 2018. Patients with pneumonia decreased by 31.1 percent and influenza patients decreased by 1.3 percent. However, it was found that patients with dengue fever increased by 51.9 percent due to continued rain in many areas, causing flooding which is a breeding ground of Aedes mosquitoes that are carriers of the disease. The highest number of patients were found in the northeastern region, mostly in the group of children aged 5-14 years. In addition, the spread of Chikungunya disease (a kind of mosquito ailment) needed to be prevented where patients are found to be 13 times higher than in the same period of the last year. Also, it is needed to be aware of diseases that occur during the winter, such as influenza, pneumonia, and measles that patients are still increasing continually.

Consumption of alcohol and cigarettes increases.

In Q3/2019, consumption of alcohol and cigarettes expended by 3.1 percent, in which alcohol consumption grew by 3.0 percent, while cigarette consumption grew by 2.9 percent. There are still issues that need to be monitored as follows: (1) Non-alcoholic beer; since the alcohol content is lower than 0.5 degrees, it is not considered an alcoholic beverage under the Alcoholic Beverage Control Act 2008. Thus, it is possible to advertise in all channels without breaking the law including that it can be sold all day and there is no minimum age requirement for the buyer. Currently, although sales of non-alcoholic beer are

still not high, it can act as advertising for alcoholic beverages due to the use of package, symbols that are the same or similar to alcoholic beer produced by the same subsidiary. (2) Danger of electric cigarette; which still has a lot of smuggling although Thailand has forbidden to import and sell since the end of 2014. Research in many countries has found that e-cigarettes are more dangerous, such as higher levels of nicotine than heroin, alcohol, and marijuana. Adolescents who have never smoked before trying e-cigarettes are more likely to start smoking normal cigarettes afterward and develop into an addiction to other types of drugs. Furthermore, the United States has warned people to stop smoking electric cigarettes after constant death since the end of August. It is also found that people with respiratory infections after smoking electric cigarettes have increased.

Narcotic cases increased. The prevention of physical and sexual violence is needed to be prioritized.

In Q3/2019, overall criminal cases increased by 27.7 percent from the same quarter of the year 2018. It was reported that narcotic cases increased by 32.8 percent and offense against property cases increased by 6.6 percent, due to the focus on solving drug problems, including suppression, prevention, and continually rehab by applying public health principles. The problem of drugs is considered as a matter of health and public health. Although crimes against life, body and sexual assaults accounted for only 3.5 percent of the total criminal cases, it has an impact on the victim, both physically and mentally. According to the Thai Health Promotion Foundation in cooperation with Friends of Women Foundation, it is indicated that women being sexually, physically and mentally abused for at least 7 people a day. There are 30,000 women a year who undergo treatment and report complaints, while 20 women died. In November of every year, it is the month of "Campaign to end violence against children and women". All parties in society should be aware and jointly prevent and eliminate all forms of violence against children and women.

The number of accident, deaths and the damage value decreased

In Q3/2019, road accidents decreased by 11.1 percent from the same period last year. Deaths and damage value decreased by 0.9 and 2.1 percent respectively. The type of vehicle with the highest accident is still a motorcycle, accounting for 40.1 percent of the total. The first main cause of accident occurred from the individual who rode exceeding the speed limit by the law. The severity of the accident depends on the speed of driving that will result in increased chances of injury and death to both drivers and others, especially to road users, such as pedestrians or motorcyclists, or collisions with dangerous obstacles such as trees and electric poles. So, there must be campaigns to provide knowledge in order to control the driver's speed behavior at a safe and appropriate level for the road environment. Also, promoting effective speed law enforcement, controlling traffic disciplinary and

monitoring accidents during the New Year Festival of 2020 should be established. Car users on the road should prepare themselves before traveling, strictly comply with traffic regulations, do not drink and drive, pay attention to safety management at the level of the area that is involved from all parties, and creating cooperation leading local which is the important mechanism to solve problems.

Complaints through the Office of the Consumer Protection Board (OCPB) decreased but still at a high level from tourism entrepreneurs, while complaints through the National Broadcasting and Telecommunication Commission (NBTC) increased.

In Q3/2019, the OCPB received 3,989 complaints about product and service, of which the complaints of tourism operators the most. As the tour operator is fraudulent by asking tourists to pay for the tour first, but then, there is no tour as promised. Meanwhile, the NBTC received 508 complaints about mobile phones the most. Besides, there is still a surveillance issue from fake news which is a form of deception that develops with the increasingly widespread use of social media. Fake news that is intended to mislead consumers can take many forms such as exaggerated advertising, references to research or survey results that are not true, falsely claiming information of a reputable person or organization, including email scams. In the past, the anti-fake news center has started providing services by screening, inspecting and eliminating fake news, encouraging awareness and technology literacy, and disseminating accurate information. The information cover 4 main groups, which are (1) Disaster (2) Economy - Finance and Banking (3) Health products - Other illegal goods and services (4) Government policies - News that affect society, morals and national security. After the service is launched, the anti-fake news center has scrutinized the news and publish it to the public via the website which covers all groups, for example, tax collection issues, the economic bubble burst, new species of dengue fever, permission to grow marijuana and mouthwash curing disease. Also, the new Consumer Protection Act came into effect on August 25, 2019, which will be another mechanism to support the operation of consumer protection to be more effective.

1 out of 5 of Thai children are multi-dimensionally poor

According to the Child Multidimensional Poverty Index report, it is indicated that in 2015/16, children with multi-dimensional poverty were accounted for 21.5 percent of the total number of children in the country, or approximately 1 out of 5 children living in Thailand were multi-dimensionally poor children. The average deprivation rate was 34.7 percent which was comparable to the intensity of the multi-dimensional poverty problem of children, and the Child Multidimensional Poverty Index (C-MPI) equaled to 0.075. The dimension which was the major cause of child multi-dimensional poverty comes from the educational dimension, following by health dimension. When comparing between regions, it

was found that the Northeast region had the most child multi-dimensional poverty, following by Northern, Southern, Central region and Bangkok, respectively. Children aged 0-4 years old was the most proportion of child multi-dimensional poverty. Boys had a multi-dimensional poverty index greater than girls. The educational level of the family leaders can also affect the multi-dimensional poverty of children in the household as well. The Child Multi-dimensional Poverty Index in Thailand shows that poverty in children when considering other dimensions aside from the monetary dimension, is still a major problem. Although in the past the government had the policies to help the target group to be liberated from poverty, there are still many children that still need help, especially in the educational and health dimension.

Protecting children and juveniles from online threats

According to the 2018 DQ Impact Report, which surveyed a sample of 1,300 Thai children and juveniles aged between 8-12 years, found that Thai children still have low digital intelligence. 60 percent of Thai children are at risk from online threats. The most common threats are cyberbullying, accessing porn and discussing sex with strangers, addicted to games, and being lured out to meet strangers from the online platforms. It is accordant with the results of the survey of Thai children with online threats in 2018, which surveyed 15,318 children of 6-18-year-old nationwide. It is found that Thai children were at risk from online threats, for example, chatting with unknown people online, providing personal information via online media, opening to read emails sent from unknown people or clicking unknown links, gambling online football predictions, taking pictures or videos of their own porn and sent to others online. The most worrying is that more than 25 percent of children have met at least once with online friends, which is a behavior that is at risk of being deceived, sexually abused or easily assaulted. All relevant sectors, therefore, need to build immunity for children of media and information literacy and to have digital intelligence (DQ: Digital Intelligence Quotient). Thus, they can grow up to face the digital age without compromising physical, emotional, social, and intellectual development. This should start from early childhood because children will grow up in an environment surrounded by digital technology. The key skills of raising a child to have digital intelligent comprise of (1) Teaching to manage one's self of thoughts, feelings, actions, and being responsible for actions (2) Teaching of critical thinking, data classification and not to believe everything that is seen or received. (3) Teaching to know how to protect one's own security, such as password setting, virus scanning before use. (4) Teaching to maintain privacy and not to share personal information with other people. (5) Teaching to spend time online properly to not affect other aspects of life. (6) Teaching to understand the nature of the digital world that will always be left the traces behind. (7) Teaching how to deal with cyberbullying, such as block the person from contacts and

inform parents. (8) Teaching about sympathy and building good relationships with others online and not to Judge others from only online information.

The NextGen Work

Nowadays, more than 2 million workforces in Thailand are the NextGen and tend to be increased by 300,000-600,000 each year, especially among the Generation Y people (a group of people born between 1981-2001). This is a group of people that grow up using digital technology and the internet and have a tendency to pursue a new type of career. 1 out of 3 of Generation Y people tend to work as the NextGen Work more than other groups of people. The top 4 careers that employers like to hire new generation people in Thailand are Graphic Designer, Online Marketing and Advertising, Web Creator and Programmer, and Content Writer and Translator. Though the new generation is a group of people who like independence, want to be a self-manager, and also like to work with high flexibility, but they also realize the importance of income and welfare. For these reasons, there are still many new generation people who are still working in the system, both the government and private sectors. Yet, there are some who want to increase income and meet personal preferences with a second job. They are ready to change to an independent career as a main career if they earn more. However, according to the study of the dynamics of changes in Thai working styles and the transition to NextGen Work by the NESDC in collaboration with the Research Center for Social and Business Development Company Limited (July 2019), it was found that the group of people working in the new styles is not yet aware of their future financial planning. In the sample of 6,255 people aged between 18-39 years, found that 72 percent have not planned to prepare for life after retirement.

The article “The progress of human development in Thailand”

The progress of human development in Thailand in 2019, in overall, is quite stable. The Human Achievement Index (HAI) in 2019 equal to 0.6219 which close to the index in 2015 and 2017. After considered the sub-indexes in various fields, it was found that there are great progress in 4 areas which are education, work-life, residential and environmental aspects, and transportation and communication. Meanwhile, the progress in another 4 areas which are health, income, family life and community, and participation has been reduced.

The progress of human development in each area The central region has the most advancement in human development, while the 3 southern border provinces have the least advancement. When considering the HAI at the regional level, which is divided into 6 regions which are the north, northeast, central, eastern, 11 southern provinces and 3 southern border provinces, it is found that the central region had the highest HAI of 0.6499, with higher HAI than other regions in 3 dimensions: health, income and transportation and

communication, followed by the eastern region, 11 southern provinces, northern region and northeast region respectively. The 3 southern border provinces have the lowest HAI of 0.5142, with the least development in 4 dimensions: health, education, work-life and income. The human development in provinces all over the country that are progressively increasing and decreasing have the same proportion. There were 41 provinces (53.2 percent) with an increase in HAI, while 36 provinces (46.8 percent) decreased in HAI. In this regard, Nonthaburi, Bangkok, Pathum Thani, Phuket, and Rayong have the most advancement in HAI, while Narathiwat, Pattani, Mae Hong Son, Surin, and Buriram have the least progress in HAI.

Challenges for the development of human progress in Thailand From the evaluation of the progress according to the HAI, it should be emphasized and expedited on various issues as followed (1) Promoting well-being to reduce illness from chronic disease, injuries and deaths from accidents by raising awareness of appropriate health behaviors, including exercise and food consumption, also strengthen safety behavior for drivers as well as the development of the better off environment for good health. (2) Level up the quality of education and narrowing the gap of development between areas by adjusting the management system of small schools to share resources, developing a school quality assessment system based on student achievement, including helping, subsidizing and creating the proper environment especially in remote areas to increase enrollment in upper secondary school and vocational college. (3) Revenue enhancement by supporting sustainable land use, promoting off-season employment in areas that have low-level working or unemployment, also promoting financial management skills to be able to effectively manage income, capital, and debt. (4) Expanding the social security system to cover especially the informal labors, promoting savings for retirement in order to be stable and have sufficient income to sustain life. (5) Strengthening family and community especially families that are fragile and in urban areas by creating and developing change leaders in the community, promoting the extension of knowledge and the use of information technology in managing community knowledge that leads to problem-solving and community development, and also supporting and following up to help fragile families to ably take care of members, both early childhood and the elderly suitably.

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Key Social Indicators

Components	2017	2018	2017				2018				2019		
	Year	Year	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
1. Employment ^{1/}													
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	37,959
%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	-2.0
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	37,482
%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	-2.1
Unemployed Person (Thousands)	451	404	463	465	453	422	474	411	373	359	351	377	394
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	1.04
Underemployed Person (Thousands)	303	293	293	352	217	237	336	283	319	232	336	239	193
2. Health and Illness													
Number of patients under disease surveillance ^{2/}													
- Measles	3,185 (88.6)	5,556 (74.4)	367	295	479	785	630	632	1,186	3,108	1,756	1,051	1,082
- Meningococcal Meningitis	28 (64.7)	20 (-28.5)	5	5	7	6	1	9	3	7	4	4	5
- Japanese encephalitis	815 (5.5)	745 (-8.5)	259	143	193	143	182	251	200	132	240	178	149
- Cholera	8 (-84.3)	5 (-37.5)	2	2	2	2	0	2	2	1	5	4	1
- 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	31,668
- Dysentery	4,847 (27.9)	3,399 (-29.8)	1,329	1,410	1,130	784	1,132	965	741	561	627	702	394
- 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	62,518
- Leptospirosis	3,474 (51.3)	2,540 (-26.8)	573	592	1,666	1,132	402	637	932	569	457	486	608
- 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	54,052
- 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	72,054
- Rabies	8 (-62.5)	15 (87.5)	2	3	2	1	7	3	3	2	0	2	0
Rate per 100,000 population of death with major chronic non-communicable diseases													
- High blood pressure	13.1 (7.5)	13.1 (6.6)	No quarterly data available										
- Ischaemic heart disease	31.8 (3.3)	31.8 (3.2)											
- Cerebrovascular disease	47.8 (7.2)	47.2 (6.9)											
- Diabetes	22.0 (17.4)	21.9 (12.1)											
- Cancer and tumors	120.5 (1.2)	123.3 (2.4)											
3. Social Security													
- 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	1,778
- 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	4,498	3,967
- 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	10,804	12,366
- Narcotics (cases)	278,807	355,584	77,627	61,399	71,250	75,681	79,355	93,110	89,414	93,705	85,846	94,296	96,657
4. Consumer Protection ^{3/}													
4.1 Number of complaints (cases)													
- Contract/Property	3,707	3,191	548	1,380	928	851	660	795	1,072	664	1,170	1,050	1,018
- Goods and service	2,026	1,871	618	472	486	450	522	433	482	434	459	706	545
- Advertisement	2,470	1,434	432	872	734	432	330	253	417	439	726	3,432	1,705
- Law	0	0	0	0	0	0	0	0	0	0	0	0	0
- Direct sales and marketing	712	940	103	128	156	325	254	180	220	286	377	651	721
4.2 Hot line 1166 (cases)	45,311	52,504	12,071	12,681	9,432	11,127	11,082	14,879	13,684	12,859	11,759	11,579	13,127

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

2/ Bureau of Epidemiology, Department of Disease Control, Ministry of Health

3/ Office of the Consumer Protection Board, Office of the Prime Minister