



## Thailand's Social Situation and Outlook of Q4/2019 and Overview in 2019

The Office of the National Economic and Social Development Council (NESDC) released the official report on Thailand's social situation and outlook of Q4/2019 and the overview in 2019, of which key issues included a low unemployment rate, a slowdown of household debt growth, and a decrease in road traffic accident. Meanwhile, the number of deaths and disable injuries from road accident was still high. There were still some major issues require close monitoring including a decline in employment, an increase in diseases under surveillance, 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; the prevention of the spread of emerging infectious diseases from foreign countries, Thai educational quality that still needs to be continuously accelerated, the PM 2.5 dust problem that requires serious and continuous management, and the article "Developing Generation Y to support the country's growth". The summary is as follows.

**Employment continued to decline. The unemployment rate was still low. Wages increased at a slow rate.**

**Employment in Q4/2019** There were 37.5 million employed persons, decreased by 1.1 percent from Q4/2018 which continued to decrease for the 3rd consecutive quarter. Employment in agricultural sector decreased by 1.6 percent while employment in non-agricultural sectors also decreased by 0.9 percent. The average working hours was 43.2 hours per week, decreased by 2.4 percent. The average working hours for private sector was 46.7 hours per week, decreased by 1.6 percent. The number of non-agricultural workers in private sector who worked more than 50 hours per week decreased by 14.0 percent, which was a continuous decline throughout the year.

The unemployment rate was still low, in which there were 3.7 hundred thousand unemployed or equal to 1.04 percent of unemployment rate. The overall average wage increased by 1.4 percent. Average wages in only private sector increased by 1.7 percent while inflation in Q4/2019 was 0.4 percent, resulting in an average real wage in private sector increased by 1.4 percent. Labor productivity increased by 2.7 percent due to the expansion of labor productivity in service sector and manufacturing sector.

**The overall employment in 2019** decreased by 0.7 according to the economic slowdown. A decrease in exports and an appreciation of Thai baht resulted in a decline in employment in the manufacturing sector by 2.1 percent. Employment in the agricultural sector declined by 2.9 percent due to the drought since the beginning of the year and the flooding in the northeastern region during September-October. Meanwhile, employment in the service sector continued to increase, especially in hotel/restaurant industry which increased by 0.8 percent due to an increase in the number of foreign tourists. In addition, employment in construction sector and transportation sector also continued to increase by 3.3 percent and 3.7 percent respectively because of the expansion of public investment, and online trading/ordering through various platforms.

**Unemployment rate in 2019 stayed low** at 0.99 percent, accounted for 3.7 hundred thousand unemployed. The average wage for overall and the average wage for private sector both increased by 2.3 percent and 3.3 percent respectively. The labor productivity increased by 3.1 percent. In 2019, Thailand's labor market has been affected both by cyclical effect due to the economic slowdown which has reduced employment through productions and exports, and by structural effect including: a problem from a change in Thailand's labor market structure, in which most of the workers are older than 40 years old and have below lower secondary education which may have limitations in skill development, a higher opportunity to access to education which can slow down labor to enter in the market, and changes in technology.

**Trends of the labor situation by 2020** There are risk factors that are likely to affect the labor market and employment include:

- 1. Drought situation in 2020 which will affect employment in agricultural sector and farmers' incomes** The Thai Meteorological Department stated that the drought in 2020 is the worst in 60 years according to the actual water supply data in dams and reservoirs throughout the country at the end of January at 18,359 million cubic meters which accounted for 25.9 percent of the total water storage capacity. It is the lowest level of the past 4 years.

- 2. The impact of the COVID-19 on the employment in the service sector and manufacturing sector** The epidemic of the disease COVID-19 since the end of the year 2019 has directly affected the tourism sector of Thailand. Moreover, if the outbreak cannot be controlled, it will affect employment in 3 main service sectors, namely wholesale/retail sector, transportation sector, and hotels/restaurants sector, and it might have an impact on employment in the manufacturing sector too.

3. **Export trends and the fluctuation of Thai baht** According to the NESDC's projections, exports in 2020 will expand only by 1.4 percent and Thai baht which is likely to fluctuate, will affect employment in the export industry.

4. **The delay of fiscal budget in 2020.** During the first 4 months of the government fiscal year 2020 (October 2019-January 2020), disbursement of investment budget was only 6.3 percent of the total investment. This delay in disbursement of budget, especially the investment budget for new projects, will cause the overall economy of the year 2020 to grow slower than expected, and it will continue to affect employment, especially in the construction sector.

**Household debt increased by 5.5 percent, slowing down from the previous quarter.**

The household debt situation in Q3/2019 was worth 13.24 trillion baht, expanding by 5.5 percent, which decelerated from 5.8 percent in the previous quarter. This was mainly due to a slowdown in mortgage for housing and vehicles. The household debt accounted for 79.1 percent of the GDP, highest in 11 quarters since the Q1/2017, due to the economy that grew slower than the household debt. Household debt from creditors in depository institutions slowed down from the previous quarter, following the slowdown in Specialized Financial Institutions (SFIs), commercial banks and cooperatives respectively.

The overall credit quality was within the surveillance criteria. The non-performing loan (NPL) outstanding of commercial banks in the Q4/2019 was 140,573 million baht, an increase of 16.7 percent from the same period last year, representing 2.90 percent of total loans which increased from the previous quarter at 2.81 percent. Debt service capability was at a level that must be monitored. The NPL ratio of housing loans was at 3.71 percent. For car loans, the NPL ratio was at 1.86 percent. However, the NPL ratio of credit card loans and the NPL ratio of other personal loans declined. The trend of household debt in Q4/2019 is expected to slow down from the previous quarter while the ratio of household debt to GDP may increase.

Recently, the government has continuously emphasized on resolving household debt problems, while before having, having debt and after having debt in terms of supervising financial institutions to give loans, taking into account the ability of borrowers to pay off debt without affecting their lives (Affordability), increasing financial literacy and discipline, and to help alleviate the suffering of borrowers. Recent various measures included: (1) Credit Card Credit Supervision in 2017 (2) Personal Credit Supervision under Supervision in 2017 (3) Car Registration Pledge in 2019 which was brought under the supervision of the Bank of Thailand. (4) Setting a ceiling on the Loan to Value (LTV ratio) ratio for housing loans. (5) The Debt Clinic Phase 3 Project in 2020.

Currently, the Bank of Thailand is in the process of determining push measures to take care of the problems of Thai household debt, such as setting standards and methods for calculating the total debt burden that the borrower has to income, so-called the Debt Service Ratio (the central standard DSR), and promoting financial institutions to give appropriate micro loans. However, most measures are still in the short-term. While in the long term, there should be guidelines to support the problems that may arise in the future, giving more importance to resolving household debt problems in specific target groups such as teacher group, and also increasing restriction in supervising the management of savings cooperatives group. Also, there should be an educating on the concept or value of creating revenue from investment and financial savings while enhancing financial literacy for households.

#### **Illness must be continuously monitored for influenza and dengue fever.**

In Q4/2019, the overall number of patients under surveillance increased by 39.4 percent from the same quarter of 2018. Top 3 diseases with the highest number of cases were influenza, dengue fever and pneumonia. Influenza patients increased by 105.3 percent due to colder weather. The highest number of patients was found in the central region, mostly in small children and school age children. Patients with dengue fever and pneumonia increased by 35.1 percent and 12.7 percent respectively. For the overall 2019, the number of patients with surveillance diseases increased by 34.8 percent from 2018, which was an ongoing epidemic of influenza and dengue fever, and also from the return of syphilis with an increased rate of patients. The majority of syphilis patients were 15-24 years old including teenagers, school-age children, and reproductive age. Measles patients increased, mostly in young children aged 1-6 years. For 2020, there are issues that should be emphasized include: (1) Illness with continuous surveillance diseases as same as in 2019, including diseases caused by climate change such as flu, pneumonia and mosquito-borne diseases such as dengue fever and Chikungunya. (2) The spread of emerging infectious diseases such as COVID-19 (Corona Virus Disease 2019) (3) Behavioral diseases, especially non-communicable diseases (NCDs), that can be prevented, such as high blood pressure, diabetes, etc. and computer vision syndrome which showed a continuous trend.

#### **Consumption of alcohol and cigarettes increases.**

In Q4/2019, consumption of alcohol and cigarettes expended by 2.4 percent, slowed down from the previous quarter as a result of cigarette consumption that decreased by 1.2 percent. Meanwhile, the consumption of alcoholic beverages continued to expand by 4.6 percent. Throughout 2019, consumption of alcohol and cigarettes grew by 3.3 percent, with the consumption of alcoholic beverages grew by 4.5 percent, while cigarette consumption grew by 1.5 percent. There must be aware of the dangers of electric cigarettes and children's

access to cigarettes since it was found that Thai youth are still confused in the facts about electric cigarettes by understanding that they are less dangerous than normal cigarettes, could reduce the risk of lung cancer, and could help to quit smoking, which are not true. In addition, most shops do not check the age of customers before selling cigarettes which are making children under 20 years old still be able to easily access to cigarettes.

**Criminal cases increased from increases in both narcotic cases and offense against property cases**

In Q4/2019, overall criminal cases increased by 18.2 percent from the same quarter of the year 2018. . It was reported that narcotic cases increased by 22.5 percent and offense against property cases increased by 4 percent. Crimes against life, body and sexual assaults decreased by 15.7 percent. In overall 2019, criminal cases increased by 23 percent due to narcotic cases, offense against property cases which increased by 27.7 percent and 4.3 percent, respectively. While crimes against life, body and sexual assaults decreased by 6.1 percent. The government, therefore, attached importance to prevention and suppression of crime in all cases. They focused on arrests at the area of crime, drugs, gambling, prostitution, human trafficking facilities, as well as promoted alternative justice systems.

**The number of accidents and deaths decreased in Q4/2019 and during the New Year holidays but in overall 2019 there were still a large number of death and injuries that became disabled by road accidents.**

In Q4/2019, Road accidents and deaths decreased by 5.2 percent and 5.9 percent from the same quarter of 2018 respectively, but the damage value increased by 64 percent. Meanwhile, the prevention and reduction of road accidents during the New Year holidays 2020 achieved to a certain extent. Accidents and deaths were able to decrease by 9.8 percent and 19.4 percent respectively. In this regard, road accident prevention and mitigation must continue in order to seriously reduce the risk of road accident in every dimension and must be carried out intensively throughout the year by setting goals to reduce risk behaviors, reduce deaths, and increase effectiveness in deterrence. Moreover, creating a holistic road safety from all sectors and using area-based mechanisms as an Area-Approach to enhance "area management points" should be prioritized.

Complaints through the Office of the Consumer Protection Board (OCPB) and the National Broadcasting and Telecommunication Commission (NBTC) in Q4/2019 decreased. Throughout 2019, there were a lot of complaints about exaggerated advertising. Also, the government looked after consumers more strictly in terms of service fees in private hospitals.

In Q4/2019, the OCPB received 3,005 complaints while the NBTC received 335 complaints. . For the overall 2019, complaints receiving by the OCPB increased from the previous year by 109.2 percent from issues such as housing estates, game shows, buffet restaurant, and tourism operators, which are all greatly increased. Complaints receiving by the NBTC decreased 38.4 percent. Also there were studies of the cost structure of medicines, medical supplies, nursing services, and medical services of private hospitals in 2019. The results showed that drug prices correlate with business groups, business types and locations whereas they were not related to the production cost and the implementation of the JCI (Joint Commission International) standards. The Department of Internal Trade has established a system for searching and comparing drug prices through the website of the Department of Internal Trade, QR Code and applications "Drug price monitoring" as well as establishing a moral hospital project that fairly charges prices and services as an alternative to the public. In addition, drugs were divided into 12 groups to study the profit ceiling in order to determine the price. If the problem is found, consumers can make a complaint to the private hospital at the Department of Internal Trade by calling 1569 and the Complaint Center at the Department of Health Service Support of Ministry of Public Health via email: crmhss.moph@gmail.com or call 02-193-7000.

### **The prevention of the spread of emerging infectious diseases from foreign countries**

The outbreak of pneumonia from COVID-19 began in Mainland China and spread rapidly both inside and outside Mainland China. As of 28 February 2020, there were patients from 48 countries and from 2 special administrative areas that accounted for a total of 83,079 patients and 2,855 deaths. Approximately, 95 percent of the total number of deaths was patients from Mainland China. Meanwhile, in Thailand, 40 patients were found infected. 27 of them have been recovered, but no death has been found. The government has established measures to cope with the pneumonia of COVID-19 which divided into 2 phases: 1<sup>st</sup> Phase - Support measures when patients are found in other countries but not found in Thailand, by provide screening for patients in important areas, and establishing a patient care system and a system for tracking patients' contact. Also, the cooperation between relevant departments to link and to analyze data, and creating an effective risk management mechanism should be emphasized. 2<sup>nd</sup> Phase - Support measures to limit outbreaks in Thailand by taking care of the patients, preparing the area to support the patients in the

hospital, preparing antiretroviral medical supplies, and controlling outbreak in risk communities. In addition, on 24 February 2020, the Department of Disease Control announced that COVID-19 is now a “dangerous communicable diseases”. This will help officials to take prevention and controlling actions more efficiently. However, people themselves should take part in self-protection by following the recommendations of the Ministry of Public Health and taking good care of their health and immunity.

### **Thai educational quality still needs to be continuously accelerated**

Measurement indicator of Thailand's international competitiveness in education, such as IMD in educational dimension, ranked Thailand as 56<sup>th</sup> out of 63 countries, and as the last runner in ASEAN countries. The Programme for International Student Assessment (PISA) of Thailand in 2018 tended to decrease especially in reading, ranked as 66<sup>th</sup> from 79 countries (393 points), which is lower than developed countries at the same level. A relevant finding from the PISA assessment is the inequality of economic and social status. It shows that allocation of educational resources is an important factor for education quality. Students with good socio-economic status who are in a school with sufficient educational resource allocation will have more scores than students with a lower socio-economic status. For example, students in the Science school and Demonstration school group have higher scores than the OECD countries. However, there were still students with lower socio-economic status that can get reading score at the 75<sup>th</sup> percentile or more, accounted for 13 percent, which is a result of factors such as appropriate parental support, positive atmosphere in the school, and the mindset of students. This reflects that Thailand's educational system partly has high potential and can be developed if there is a policy that expands the quality of educational system thoroughly. Therefore, Thailand will be able to improve the quality of learning of students to be comparable internationally.

### **The PM 2.5 dust problem that requires serious and continuous management**

The problem of small dust particles (PM 2.5) is mainly caused by the burning of fossil fuels from cars and the burning of agricultural materials. Although this issue has been stated as national agenda and the resolutions were focused on both short term and long term measures, Thai people still have to face the problem of PM 2.5 dust higher than the standard value in many areas as same as in the previous last year. According to a study by the World Health Organization (WHO), PM 2.5 dust increases the risk of developing depression and suicide. Reducing PM 2.5 levels to 10 micrograms per cubic meter will reduce the depression rate by 2.5 percent and also result in preventing brain inflammation, nerve damages, and changes in hormones, which children, the elderly, and the population at risk in society most likely to be affected. In addition, the data from Chinese medical research on the COVID-19 infection suggests that PM 2.5 dust and viruses are

complementary factors because PM 2.5 dust causes irritation of the eyes, mouth and respiratory system. Once the inflammation has occurred, the virus is able to enter the body easily. Therefore, the point perception of the problem, communication and providing accurate information, as well as serious and continuous management are considered as successful factors in sustainable alleviation of PM 2.5 dust.

### **The article “Developing Generation Y to support the country's growth”**

**Ten characteristics of Gen Y** According to a review of the data, it was found that Generation Y (Gen Y) has unique characteristics include: Gen Y will be the largest group of workers in the country over the next 20 years and, on average, they have higher educational level than other Gen. They are familiar with technology and have Higher skill when entering the labor market. They tend to have working behaviors that emphasize on independency in the workplace and can organize their own work effectively. They are likely to spend money on unnecessary products, to increase debt, and lack of awareness of future financial planning. Their marriage rate is low. They do not give importance on having children and on health care.

**Gen Y and the growth of the country** From the characteristics of the Gen Y stated above, it will affect the future of the country as follows: Marriage status as being single will increase and there will be a trend of not having children since Gen Y are likely to live independently. They want to succeed in working life and prioritize more on friend relationship. These will result in the Thai population to decrease and the dependency ratio of non-working population to working population to be higher. It will also affect the labor shortage and the increased financial and fiscal burden due to the increasing number of elderly people. (2) The decreasing number of working population will affects the demand for quality labor and the needs of the labor market. The number of Gen Y people will surely not be able to replace the elderly population that soon will leave the labor market. In order to maintain the production level to be the same level or even higher, Thai workers must develop higher skills to compensate for the reduced labor force. (3) Independent working style and the work-life balance trend of Gen Y people will cause them to have uncertain income and lacks of social security, and thus, lead to higher personal debts, household debts, and the unsustainability of the national social welfare system in the future. (4) Consumption behavior and a risky lifestyle especially in health will result in the loss of country's human resources, or may incur more additional expenses to take care of the disabled group in the future.

**Suggestions to develop the potential of Gen Y in order to support country's growth** as follows: (1) Developing a support system and creating an environment that allows Gen Y people to be able to better take care of their children and the elderly while they can



still work efficiently, for example, by increasing the role of men in raising children and taking responsibility for their families, creating an appropriate environment for women to decide to have children while still pursuing careers, having qualified nurseries and day care centers of with a reasonable price, providing a reliable nursery at work, as well as supporting welfare for the elderly to be able to help themselves. (2) Promoting adjustment of up-skill and re-skill courses, including other skills related to work that are consistent with national development and the changing trend In the future, especially communication and interaction skills with others, creative skill, critical thinking skill, and problem solving skill, in order to be able to perform tasks cannot be replaced by technology. At the same time, educational curriculum development and quality training are needed to respond to national development directions. (3) Building stability in life by having a comprehensive working security system that can respond to working style that will change in the future, and savings system to guarantee security in retirement, such as promoting compulsory savings and financial literacy. (4) Promoting good health by disseminating accurate health knowledge, covering activities regarding educating and behavior development, using technology and innovation in tracking and persuading people to change their behavior to have appropriate health behaviors, including the reduction of road accident by setting safety standards of road and vehicle quality.

Office of National Economic and Social Development Council

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## Key Social Indicators

Components	2017	2018	2017				2018			
	Year	Year	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1. Employment <sup>1/</sup>										
Workforce (Thousands)	38,434	38,178	38,145	38,482	38,725	38,382	38,365	38,420	37,959	37,968
%YOY	0.9	-0.7	-0.2	0.6	1.5	1.7	0.6	-0.2	-2.0	-1.1
Employed Person (Thousands)	37,865	37,613	37,361	37,885	38,301	37,911	37,703	37,782	37,482	37,483
%YOY	1.1	-0.7	0.2	0.9	1.7	1.9	0.9	-0.3	-2.1	-1.1
Unemployed Person (Thousands)	404	373	474	411	373	359	351	377	394	372
Unemployment Rate (%)	1.1	0.99	1.24	1.07	0.96	0.93	0.92	0.98	1.04	1.04
Underemployed Person (Thousands)	293	250	336	283	319	232	336	239	193	231
2. Health and Illness										
Number of patients under disease surveillance <sup>2/</sup>										
- Measles	5,556 (74.4)	6,562 (18.1)	630	632	1,186	3,108	2,065	1,582	1,520	1,395
- Meningococcal Meningitis	20 (-28.5)	22 (10)	1	9	3	7	6	5	6	6
- Japanese encephalitis	745 (-8.5)	891 (19.5)	182	251	200	132	258	199	212	222
- Cholera	5 (-37.5)	12 (140)	0	2	2	1	6	4	1	1
- Hand, Foot, Mouth	70,008 (-0.3)	67,203 (-4.1)	10,079	14,626	32,718	12,585	9,254	12,916	35,866	9,167
- Dysentery	3,399 (-29.8)	2,518 (-25.9)	1,132	965	741	561	646	731	642	499
- Pneumonia	283,601 (5.9)	256,194 (-9.6)	74,881	58,699	90,160	59,861	73,553	51,353	63,816	67,472
- Leptospirosis	2,540 (-26.8)	2,165 (-14.7)	402	637	932	569	466	495	710	494
- Dengue Fever	86,922 (63.4)	129,906 (49.4)	6,830	24,029	35,564	20,499	15,548	31,766	54,906	27,686
- Influenza	183,363 (6.7)	392,518 (105.3)	40,995	25,698	73,042	43,628	133,369	61,229	108,345	89,575
- Rabies	15 (87.5)	3 (-80)	7	3	3	2	0	2	0	1
Rate per 100,000 population of death with major chronic non-communicable diseases										
- High blood pressure	13.1 (6.6)	n.a.	No quarterly data available							
- Ischaemic heart disease	31.8 (3.2)	n.a.								
- Cerebrovascular disease	47.2 (6.9)	n.a.								
- Diabetes	21.9 (12.1)	n.a.								
- Cancer and tumors	123.3 (2.4)	n.a.								
3. Social Security										
- Patients from road accidents (cases)	8,361	8,588	2,310	2,003	1,799	2,249	2,416	2,177	1,878	2,117
- Crimes against person (cases)	17,704	16,625	4,447	4,619	4,133	4,505	4,351	4,491	3,986	3,797
- Property crimes (cases)	45,701	47,678	11,267	11,258	11,597	11,579	11,953	11,098	12,587	12,040
- Narcotics (cases)	289,666	369,948	64,704	77,157	72,784	75,021	86,304	94,205	97,571	91,868
4. Consumer Protection <sup>3/</sup>										
4.1 Number of complaints (cases)										
- Contract/Property	3,191	4,017	660	795	1,072	664	1,170	1,050	1,018	779
- Goods and service	1,871	2,105	522	433	482	434	459	706	545	395
- Advertisement	1,434	7,191	330	253	417	439	726	3,432	1,705	1,328
- Law	0	0	0	0	0	0	0	0	0	0
- Direct sales and marketing	940	2,252	254	180	220	286	377	651	721	503
4.2 Hot line 1166 (cases)	52,504	47,996	11,082	14,879	13,684	12,859	11,759	11,579	13,127	11,531

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