

เศรษฐศาสตร์การเมืองระหว่างประเทศ

(International Political Economy)

ศ. (พิเศษ) ดร.สมชัย ฤชุพันธุ์

บรรยายในหลักสูตร “การบริหารเศรษฐกิจ
สาธารณะสำหรับผู้บริหารระดับสูง”

สถาบันพระปกเกล้า

วันเสาร์ที่ 6 ตุลาคม 2561

09.00-12.00 น.

Outline

1. The Change in the World Political Systems.
การเปลี่ยนแปลงระบบการเมืองของโลก
2. The Change in the Balance Of World Economic Powers .
การเปลี่ยนแปลงดุลอำนาจทางเศรษฐกิจของมหาอำนาจทางเศรษฐกิจของโลก
3. Globalization and Financial Innovation.
กระแสโลกาภิวัตน์และนวัตกรรมทางการเงิน

4. Global Economic Crisis.

วิกฤตการณ์ทางเศรษฐกิจของโลก

4.1 Tomyamkung Crisis 1997

4.2 Hamburger Crisis 2008

4.3 European Debt Crisis 2011

5. The World's Megatrends.

แนวโน้มใหญ่ของโลก

1. The Change in the World Political Systems.

การเปลี่ยนแปลงระบบการเมืองของโลก

1.1 The Colonialism, the British Empire and the French Empire

1.1.1. Advanced Countries in Europe led by the British and the French invaded Asia, Africa, and America seeking colonies.

1.1.2. Many countries in Asia, Africa, and America became colonies of the British Empire e.g. India, Burma, Malaya, Australia, Egypt, the Gambia, Barbados, Trinidad, Dominica, The USA., etc. were all colonized by the British Empire.

1.1.3. The French also took over many countries in Asia, Africa and America as colonies such as Vietnam, Cambodia, Laos, Caledonia, Kuwait, Senegal, Martinique, Guyana, etc.

1.1.4. Most countries in South America continent were colonies of Spain, except Brazil was under Portuguese.

1.1.5. All over the world were under colonialism.

1.1.6. The British Pound and The French Franc were the strongest currencies in their respective areas of influence.

1.2 The WWII and the Bipolar World

1.2.1. The US, UK, French, Russia and China were the Winners of WWII

1.2.2. Germany, Japan, Italy were the losers of WWII

1.2.3. After WWII the Soviet Union expanded communism to Eastern Europe; Asia (China in 1949; North Korea and North Vietnam); Africa (Zaire), and Latin America. (Cuba and Nicaragua)

1.2.4. The communist countries established themselves as a distinct world behind the Iron and Bamboo Curtains. As a result, the whole world became two separate worlds (or two camps). The free world led by the US and the socialist world led by the USSR. Thus the period was called Bi-polar world period.

1.3 Characteristics of the Bi-polar World

- Cold War
- Limited Regional Warfare
- Unconventional War
- Ineffective UN

1.4 The Falls of the Soviet Union and the failures of the Socialist Camp.

การล่มสลายของสหภาพโซเวียตและการสลายตัวของ
ค่ายสังคมนิยม

(1) การพังทลายของกำแพงเบอร์ลิน in Nov. 1989 -
end of Eastern European Empire

(2) The Falls of USSR in 1991

(3) การเปลี่ยนเศรษฐกิจของ Asian Communist

Countries

- Deng's Return to Power after Mao in 1978
- Deng's Cat : “No matter if it is a white cat or black cat; as long as it can catch mice, it is a good cat.”
- Deng's Reform and Opening Up of China in 1978

(4) The end of socialist regimes in Latin America and Africa such as in Nicaragua , and in Zaire

1.5 Monopole World

- The world political system has been changed from a bi-polar world to a mono-pole world
- A transitional period from bipolar world
- A strengthening UN, A stronger GATT, and the establishment of WTO
- No more large scale wars, no cold wars => a cooler world
- More serious trade competition

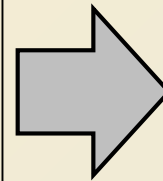
1.6 A Tripolar World or a multipolar world?

- is in the making
- Economic regional grouping is in fashion
- NAFTA, EFTA, EU, AFTA, FTAA, EAEC, APEC, ASEM, ACD, AEC etc.

1.7 Economic Impacts of the Change in the World Political System

1.7.1.

Release of world resources from war-related activities to productive use



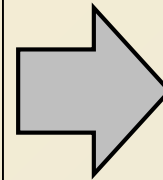
Increase in world productive capacities.

1.7.2. Expansion of World markets.

- World market increases two times
- No economic policies that economists ever devised has such remarkable result

1.7.3.

Expansion of
Investment Areas



More severe
competition
for capital fund

1.7.4. Possible solution of unsolvable World

Economic Problems. Eg. US. Twin Defecits.

2. The Change in the Balance Of World Economic Powers .

*การเปลี่ยนแปลงดุลอำนาจทางเศรษฐกิจของ
มหาอำนาจทางเศรษฐกิจของโลก*

2.1 การเติบโตใหญ่ของพลังอำนาจทางเศรษฐกิจของ US ภายหลังสงครามโลกครั้งที่ 2

2.1.1 Strength of US economy is based on

(a) Area, Climate, Natural Resources, and
Technology

(b) Strength of US dollars

(b1) US \$ have become the international
reserves money replaced Pound Sterling
and French Franc

(b2) US \$ is the safe heaven for investors

(b3) US \$ is practically world currency

(c) Supports from other types of powers

(c1) military power

(c2) political power

(c2.1) UN is situated in New York, USA

(c2.2) US is the leader of the Free World.

(c3) cultural powers

(c3.1) American musics

(c3.2) American movies

(c3.3) American management

(c3.4) American food

(d) The USA is equipped with both hard powers and soft powers.

2.2 The Korean War (1950-1953)

Economic analysis of war :

- Who were fighting ?
- Who were the supporters ?
- Who financed the war ?
- What were the economic impacts of the war ?
 - The Rising-up of Japan

2.3 The Vietnam War (Nov 1, 1955 to April 30, 1975)

- Who were fighting ?
- Who were the supporters ?

(The longest us combat force participation
(17.4 years))

- Who financed the war ?

- What were the economic impacts of the war?
 - Weakening US\$;
 - US war Economies
 - Weakening of the US competitiveness
 - The Emerge of the Asian Tigers : The NIC :
South Korea, Taiwan, Hong Kong, and
Singapore.

2.4 The 2 oil shocks

2.4.1 The 1973 shocks (Oil embargo aimed at supporters of Israel during the Yom Kippur War)

2.4.2 The 1979 shocks (due to decreased oil output in the wake of Iranian Revolution (Jan 1978-Feb 1979))

2.4.3 Result of oil shocks => New Rich =>
Oil Millionaires

2.4.4 The Decline of US automobile industry

2.4.5 US lost competitiveness in other
industries due to high value of US\$ +
high US labor costs

2.5 US twin deficits

- the fiscal deficit
 - The military expense
 - The welfare programs
- the trade deficit
 - Strong US\$
 - High labor cost
 - Lose competitiveness
- result of the trade deficit
- US. Foreign debts

2.6 Turning from a creditor country

to become a debtor country

- the biggest debtor in the world

(in August 2017 at 21.46 trillion US\$)

2.7 The original World Bank ranking and the ranking change

2.8 This lead to the realignment of major currencies in 1985 and 1986

- The Plaza (Athene) Accord. (G5) (1985)
- The La Louve Accord. (G7) (1986)

2.9 The Effects on Thailand

2.9.1. The slide down with the US\$ => De facto Devaluation.

- 2.9.2. The Relocation of Japanese Industry.
- 2.9.3. The Property & Investment Boom.
- 2.9.4. The shortage of land, labor & materials.
- 2.9.5. The Double Digits growth rates & the success of Thailand. (1988=13%, 1989=12%, 1990=11%)
- 2.9.6. The increase in asset prices & the stock market boom.
- 2.9.7. The Overheated economy.

2.9.8. The Bubbles. (Land prices, Property prices, Stock prices, Labor cost and intlation).

2.9.9. The Burst, the Meltdown, and the Tomyamkung Crisis.

2.9.10. The Success were due mainly not to Thai economic planning and management but to external factors.

Is there any “Success” that Thai economic managers can claim credit?

- Austerity Measures, bitter pills.
- Devaluation in 1981 and 1984

Credit should be given to Hon. Minister Sommai Hoontrakul.

2.10 The Rise of China and India

2.10.1 The Rise of China

The Chinese economy grew very fast for 30 years during 1980 to 2010

It 's GDP grew from 189 billion US \$ in 1980 to 5.9 trillion US\$ in 2010 representing an increase of 31 times. This implies a compound annual growth rate of 12.57 %every year during the 30 years period.

The GDP of China in 2017 was 12.01 trillions US\$

This is amazing and it is considered an economic Miracle. The rapid growth of China upsets the balance of economic power of the world.

Now China is the second biggest economy in the world, taken over the position of Japan in 2010. Table 1 shows the relative size of the Chinese economy compared to the US economy.

Table 1 Relative Sizes of Chinese and US Economies 1960 - 2017

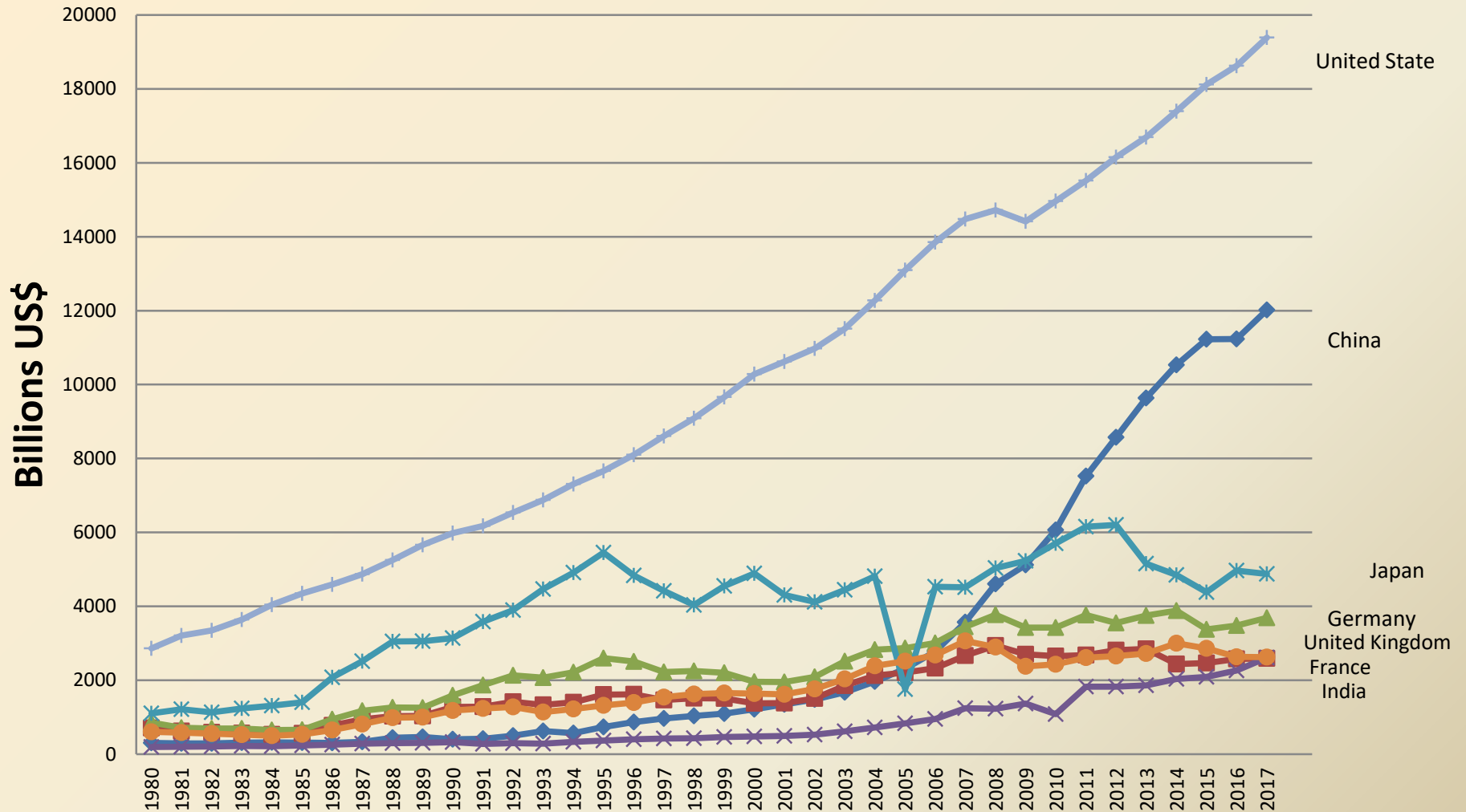
Year	US GDP (millions US\$)	China GDP (millions US\$)	China GDP as % of US GDP
1960	520,531	61,378	11.79
1970	1,024,800	91,506	8.93
1980	2,767,500	189,400	6.84
1985	4,184,800	306,667	7.33
1990	5,750,800	356,937	6.21
1995	7,338,400	728,007	9.92
2000	9,898,800	1,198,480	12.11
2005	13,093,700	2,291,454	17.50
2006	13,855,900	2,751,924	19.86
2007	14,477,625	3,542,560	24.47
2008	14,718,575	4,564,951	31.01
2009	14,418,725	5,071,456	35.17

Table 1 Relative Sizes of Chinese and US Economies 1960 - 2017 (ต่อ)

Year	US GDP (millions US\$)	China GDP (millions US\$)	China GDP as % of US GDP
2010	14,964,400	6,005,249	40.13
2011	15,517,925	7,442,032	47.96
2012	16,155,250	8,471,357	52.44
2013	16,663,150	9,518,582	57.12
2014	17,348,075	10,430,712	60.13
2015	17,947,000	10,982,829	61.20
2016	18,624,450	11,232,108	61.30
2017	19,390,600	12,014,610	61.96

Source [https://en.wikipedia.org/wiki/List_of_countries_by_GDP_\(nominal\)](https://en.wikipedia.org/wiki/List_of_countries_by_GDP_(nominal))

GDP of Economic Super Powers.



One can see that China took over the fifth biggest position from the UK in 2005; took over the fourth Biggest position from France in 2006; took over the third biggest position from Germany in 2007; and took over the second biggest position from Japan in 2010. It is forecast in 2011 that China will become the biggest economy in the world in 10 years times. (ie. By 2020)

In 2016, China has made a major step forward in the area of internationalization of the Chinese Currency (Ren Min Bi). On Jan 27, 2016 IMF announced that the 2010 IMF shareholding and governing reform proposal has already take effects. This means that China has officially become IMF third biggest shareholder.

China's shares has been increased from 3.996% to 6.394%, and Chinese ranking jump from 6th to the 3rd next only to the US and Japan.

On Oct 1, 2016, Chinese currency (The Renminbi) has officially become one of the Currencies in SDR basket together with US\$, Euro €, Japanese ¥, and UK £. The weights of each currency are as follow

The weights of each currency in SDR

Currencies	Weights in SDR
1. US\$	41.73
2. Euro €	30.93
3. Chinese ¥	10.92
4. Japanese ¥	8.33
5. UK £	8.09
Total	100.00

This new achievement of China has a profound effect on the Balance of World Financial and Economic Powers

2.10.2 The Emerging India

India with 1.246 billion population is the second biggest country in the world in term of population. In the past, the growth rate of Indian economy were slow compared to east-Asian countries. However from 1980 on-ward the growth rate of Indian Economy has been impressive. The size of Indian economy increased 9.4 times from 1980 to 2010. This implies a compound annual growth rate of 8% every year during the 30 years period.

The growth of India also contributed to the change in the balance of world economic power. Table 2 shows the relative size of Indian Economy compared to the US economy.

Table 2 : Relative Sizes of India and US Economies 1960 - 2017

Year	US GDP (millions US\$)	India GDP (millions US\$)	India GDP as % of US GDP
1960	520,531	36,604	7.03
1970	1,024,800	61,194	5.97
1980	2,767,500	183,799	6.64
1985	4,184,800	229,941	5.49
1990	5,750,800	317,467	5.52
1995	7,338,400	356,299	4.86
2000	9,898,800	460,182	4.65
2005	13,093,700	834,218	6.37
2006	13,855,900	949,118	6.85
2007	14,477,625	1,238,700	8.56
2008	14,718,575	1,224,096	8.32
2009	14,418,725	1,365,373	9.47

Table 2 : Relative Sizes of India and US Economies 1960 – 2017 (ต่อ)

Year	US GDP (millions US\$)	India GDP (millions US\$)	India GDP as % of US GDP
2010	14,964,400	1,708,460	11.42
2011	15,517,925	1,822,992	11.75
2012	16,155,250	1,828,984	11.32
2013	16,663,150	1,863,207	11.18
2014	17,348,075	2,042,560	11.77
2015	17,947,000	2,090,706	11.65
2016	18,624,450	2,263,792	12.15
2017	19,390,600	2,611,012	13.46

Source [https://en.wikipedia.org/wiki/List_of_countries_by_GDP_\(nominal\)](https://en.wikipedia.org/wiki/List_of_countries_by_GDP_(nominal))

2.11 The Fast growing NIC and The ASEAN

Other than Japan, China and India, the rest of Asia is also growing very fast. Noticeable are two groups of countries, i.e. the NIC (S-Korea, Taiwan, Hongkong and Singapore) and the ASEAN (composed of 10 countries).

The size of the NIC and the ASEAN economies combined is bigger than India. Both of them are fast growing areas. Table 3 shows the size of NIC Countries compared to that of the US. It is calculated that during the 30 years period from 1980 to 2010 the NIC countries as a group grew 12.88 times. This implies a compound annual growth rate of 9.21% for the past 30 year.

Table 3 : The Relative Size of NIC and The US Economies 1980 - 2017

Year	US GDP (millions USD)	NIC GDP (millions USD)	NIC GDP as % of US GDP
1980	2,767,500	146,923	5.30
1985	4,184,800	213,781	5.11
1990	5,750,800	544,474	9.47
1995	7,338,400	1,023,184	13.94
2000	9,898,800	1,122,976	11.34
2005	13,093,700	1,582,914	12.09
2006	13,855,900	1,741,920	12.57
2007	14,477,625	1,922,480	13.28
2008	14,718,575	1,830,768	12.44
2009	14,418,725	1,700,493	11.79

Table 3 : The Relative Size of NIC and The US Economies 1980 – 2017 (ต่อ)

Year	US GDP (millions USD)	NIC GDP (millions USD)	NIC GDP as % of US GDP
2010	14,964,400	2,005,697	13.40
2011	15,517,925	2,212,019	14.25
2012	16,155,250	2,271,296	14.06
2013	16,663,150	2,395,109	14.37
2014	17,348,075	2,538,008	14.63
2015	17,947,000	2,503,114	13.95
2016	18,624,450	2,557,227	13.73
2017	19,390,600	2,782,893	14.35

Source [https://en.wikipedia.org/wiki/List_of_countries_by_GDP_\(nominal\)](https://en.wikipedia.org/wiki/List_of_countries_by_GDP_(nominal))

The ASEAN

The ASEAN countries are also growing very fast. Table 4 shows the size of ASEAN as a group relative to that of the US. It can be seen that ASEAN as a group grow 9.79 times during 1980 to 2010. This implies a compound annual growth rate of 8.18% per annum during the 30 years period.

This is a high growth rate compared to the world growth, but it is low by ASEAN standard. The low rate of growth of the ASEAN reflects the effect of the Tomyamkung Crisis started in Thailand in 1997.

Table 4 : Relative Size of ASEAN and US economies 1980 - 2017

Year	US GDP (millions US\$)	ASEAN - Myanmar GDP (millions US\$)	ASEAN - Myanmar GDP as % of US GDP
1980	2,767,500	184,729	6.67
1985	4,184,800	227,195	5.43
1990	5,750,800	337,799	5.87
1995	7,338,400	650,841	8.87
2000	9,898,800	599,434	6.05
2005	13,093,700	969,914	7.41
2006	13,855,900	1,162,794	8.39
2007	14,477,625	1,389,581	9.60
2008	14,718,575	1,618,842	11.00
2009	14,418,725	1,596,416	11.07

Table 4 : Relative Size of ASEAN and US economies 1980 – 2017 (ต่อ)

Year	US GDP (millions US\$)	ASEAN - Myanmar GDP (millions US\$)	ASEAN - Myanmar GDP as % of US GDP
2010	14,964,400	1,981,308	13.24
2011	15,517,925	2,294,652	14.79
2012	16,155,250	2,428,569	15.03
2013	16,663,150	2,506,780	15.04
2014	17,348,075	2,521,379	14.53
2015	17,947,000	2,436,040	13.57
2016	18,624,450	2,483,115	13.33
2017	19,390,600	2,694,382	13.89

Source [https://en.wikipedia.org/wiki/List_of_countries_by_GDP_\(nominal\)](https://en.wikipedia.org/wiki/List_of_countries_by_GDP_(nominal))

2.12 The G-5, G-7, G-8 and The G20

2.12.1 The G-5

The 5 traditional economic super powers are:

	Currencies
1. US	US \$
2. Japan	Jap ¥
3. Germany	Ger. Mark
4. France	French Franc
5. England	British Pound (£)

Table 5: The Size of G-5 Economy 2017

	GDP (2017) (Millions USD)
1. US	19,390,600
2. Japan	4,872,135
3. Germany	3,684,816
4. England	2,624,529
5. France	2,583,560
Total G-5	33,155,640
World GDP	79,865,481
G5 GDP as % World GDP	41.51

Source [https://en.wikipedia.org/wiki/List_of_countries_by_GDP_\(nominal\)](https://en.wikipedia.org/wiki/List_of_countries_by_GDP_(nominal))

2.12.2 The G-7

Members of G-7 countries are.

Table 6 : The Size of the G-7 economies 2017

	GDP (2017) (Millions USD)
1. US	19,390,600
2. Japan	4,872,135
3. Germany	3,684,816
4. England	2,624,529
5. France	2,583,560
6. Italy	1,937,894
7. Canada	1,652,412
Total G-7 GDP	36,745,946
World GDP	79,865,481
G-7 GDP as % of world GDP	46.01

Source [https://en.wikipedia.org/wiki/List_of_countries_by_GDP_\(nominal\)](https://en.wikipedia.org/wiki/List_of_countries_by_GDP_(nominal))

12.12.3 The G-8

Russia was added to the G-7 to become G-8. Russia GDP in 2016 was 1,283,162 millions of us dollars.

12.12.4 The G-20

Due to the change in the balance of economic power, G-8 has become less influential and ineffective in solving world economic problems. Thus the G-20 was established and assigned the role of resolving world economic problems.

Members of G-20 are as shown in table 7

Table 7 : The Size of the G-20 Economies 2017

Country name	GDP (2017) (Millions USD)
1. us	19,390,604
2. China	12,237,700
3. Japan	4,872,137
4. Germany	3,677,439
5. England	2,622,434
6. India	2,597,491
7. France	2,582,501
8. Brazil	2,055,506
9. Italy	1,934,798
10. Canada	1,653,043
11. Russian Federation	1,577,524
12. Korea,Rep	1,530,751

Table 7 : The Size of the G-20 Economies 2017 (ต่อ)

Country name	GDP (2017) (Millions USD)
13. Australia	1,323,421
14. Mexico	1,149,919
15.Indonesia	1,015,539
16.Turkey	851,102
17.Saudi Arabia	683,827
18.Argentina	637,590
19.South Africa	349,419
20.EU	17,277,698
Total G-20 GDP	80,020,443
ลบ 4 ประเทศที่นับซ้ำ (Germany, France, England, Italy) = 10,817,172	69,203,271
World GDP	80,683,787
G-20 GDP as % of world GDP	85.77

3. กระแสโลกาภิวัตน์ และนวัตกรรม ทางการเงิน

(Globalization and Financial Innovation)

3.1 มูลเหตุรากฐานของการเกิดกระแสโลกาภิวัตน์

3.1.1 Advancement of Information

Technology (IT) + Communication

Technology (CT) => Global village

3.1.2 การเติบโตใหญ่ของบริษัทข้ามชาติ

- Intra-firm trade
- Transfer pricing
- Bypassing the states
- Supra-national organization
- Weakening the power of nation-state with respect to economic borders.

3.1.3 Internationalization of Finance

3.1.3.1 Direct investment and Portfolio investment

3.1.3.2 Securitization and derivatives

3.1.3.3 Increase in International Capital Flow

(From 1.5 Trillion US\$ in 1995 to more than 6 Trillion in 2005, an increase of 4 times in 10 years. The Capital Flow in 2015 was 5.1 Trillions US\$)

3.1.3.4 FinTech result in

- (1) Payment Facilitation, End of Cash Society,
- (2) a challenge to the system of state monopoly in money creation,
- (3) a challenge to the intermediary system, and
- (4) Challenge to all Establishment system

Because of the three root causes of globalization, it can be seen that globalization is a natural development and no one can stop globalization .

3.2 Effect of Globalization on International Economies

3.2.1 International Movement of Factors of Production

- Labor
- Capital
- Land
- Entrepreneur

3.2.2 Globalization of Production

- based on cost advantage
- lead to international division of labor
- become global factories

3.2.3 The Success of the Uruguay Round & The Establishment of WTO

- an international legal recognition of globalization

3.2.4 International Capital Flows and the Economic Fluctuation in the developing World.

- Open Capital Market
- Short-run capital in flow
- Currency de-stabilization
- Affect growth

3.3 Suggested Policy Responses To Globalization.

3.3.1 The stage of development of Asian Nations

Asian Countries have been developed to the stages where they can enjoy the benefit of globalization

3.3.2 End of closed door policies

3.3.3 End of inward-looking development strategies (Import Substitution Policy)

3.3.4 End of isolationistic policy, protectionistic policy

3.3.5 New problems for Macro-Economic managers

- How to finance the deficit? => How to manage surpluses?
- How to promote foreign investment? => How to invest abroad?
- How to induce capital inflow? => How to manage under irregular short-run inflow?

3.3.6 New Environment for Thai Businesses

3.3.7 Appropriate strategies are to recognize the trend, accept the trend, take it into account when making policy design, not going against the trend, but utilize the trend & take advantage of the trend

- Build immunity
- immunity vs. protection
- strong community, civil society

(Localization) (The Localism Law of England)

3.4 Financial Innovation

3.4.1 Securitization

3.4.2 Derivatives

- Adding more power to money and increasing the speed of monetary transaction.

3.5 New Form of Trade Liberalization

Because multilateral agreement is difficult to achieve, new forms of trade liberalization have been used.

- Regional Groupings

AFTA (AEC) , NAFTA , FTAA

BIMSTEC etc.

- Bilateral FTA

Thai - China.

Sing - US.

etc.

over 400 Bilateral and multilateral FTA' s are
in operation.

4. Global Economic Crisis.

4.1 TomyamKung Crisis. (1997)

has already covered in section 2.9

4.2 The Hamburger Crisis. (2008)

4.2.1 The Symptoms.

4.2.2 The Effects.

4.2.3 The Root Causes.

4.2.4 The Way Out.

4.2.1 The Symptoms. (See Appendix 11)

- Housing market decline after booming.
- Construction index down.
- Subprime industry collapsed many subprime lenders bankrupt.
- Investment Banks bankrupt.
- Banks fail.

- Corporation experienced big losses.
- Contagion to many financial centers in the world.
- many European financial centers were affected. London, Paris, Belgium, Denmark etc. were all affected.
- Details of the symptoms are show in Appendix 11.

4.2.2 The Effects

1. World Recession, probably depression.
2. Property Prices continuously decline.
3. Stock Prices dropped substantially.
4. Interbank lending stopped, credit crunch.
5. Corporate failures.
6. Consumers confidence low.

7. Decline in Oil prices from the highest point at 147 \$/bar. Down to 50 \$/bar
8. Raw material prices declined as iron and steel , rubber etc. are also drastically declined
9. Food prices declined.
10. Tourism declined all over the world

4.2.3 The Root Causes.

1. The over - spending in the US.
 - Saving low – Consumption high.
 - Deficit financed by foreign borrowing.
2. Bubbles in the property market created by subprime lendings.

3. US economy is heavily indebted.

- Public debt of US govt is highest in the world.
- US borrowing is in us \$, but bond holders are foreigners.
- Although the US can print US \$, but it is very dangerous to do so.

4.2.4 The Way Out.(cont.)

1. The basic conflict between globalized finance and sovereign regulation - There is a need to create an effective global supervisory agency.
2. World economic powers have been changed : The US is not relatively as powerful as before : there is a need to redistribute world economic power , a new age of multipolar system should be allowed to emerge.

3. The Lack of international currency .

Now USD is being used as international currency. But US. Economy is not strong enough to support the world system. There is a need to create a new functioning international currency.

4.3. The European Debt Crisis 2011.

- Debts of the PIGS countries.
(Portugal, Ireland, Italy, Greeks, Spain)
- It is the sovereign debt and not private debt.
- Partly due to the Euro, The common currency used in Europe.
- Weaken Euro currency.
- Slowing down growth.
- Threatening the World Financial System.

5. The World's 7 Megatrends.

5.1 The Changing Balance of world Economic Power.

5.2 The Increase in International Capital Flows.

5.3 The Trade Liberalization (There are over 400 bilateral + multilateral FTA's in operation)

5.4 Demographic Change : The Whole World is becoming Aged Societies.

5.5 Urbanization : Expanded substantially

5.6 Expansion of the Middle Class

5.7 The Digital Revolution.

ขอบคุณครับ

และ

สวัสดีครับ

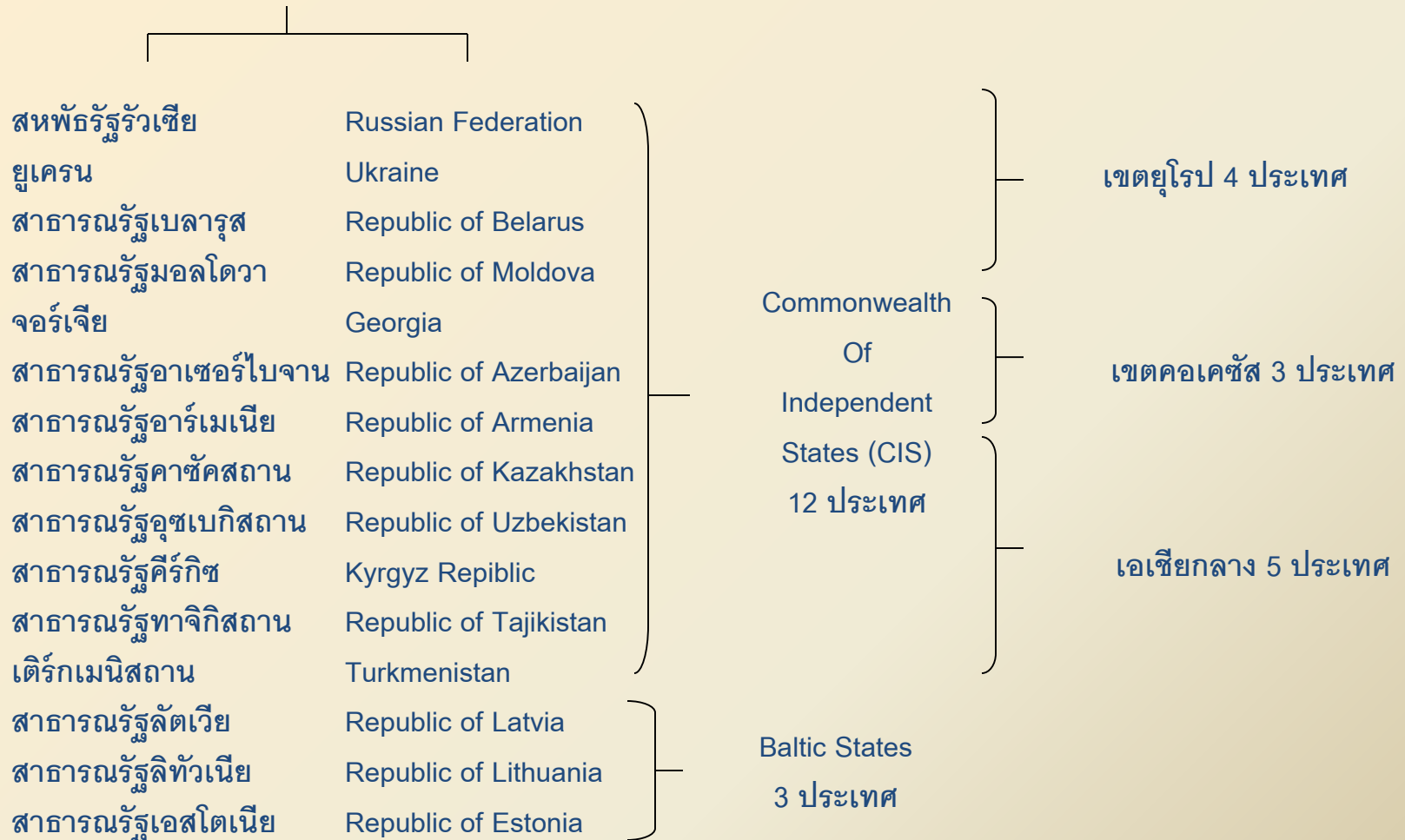


Appendix 1

Union of Soviet Socialist Republics

สหภาพสาธารณรัฐสังคมนิยมโซเวียต

แยกตัวออกเป็น 15 สาธารณรัฐ



Appendix 2

NAFTA.

- NAFTA มี 3 ประเทศ
 1. USA
 2. Canada
 3. Mexico

Appendix 3

FTAA.

- FTAA (Free Trade Area of the America) มี 34 ประเทศ
 1. Antigua and Barbuda
 2. Argentina
 3. Bahamas
 4. Barbados
 5. Belize

- | | | |
|------------------------|---------------|------------------------|
| 6. Bolivia | 16. Grenada | 26. Peru |
| 7. Brazil | 17. Guatemala | 27. St.Kitts & Nevis |
| 8. Canada | 18. Guyana | 28. St.Lucia |
| 9. Chile | 19. Haiti | 29. St.Vincent & |
| 10. Colombia | 20. Honduras | the Grenadines |
| 11. Costa Rica | 21. Jamaica | 30. Suriname |
| 12. Dominica | 22. Mexico | 31. Trinidad & Tobacco |
| 13. Dominican Republic | 23. Nicaragua | 32. United States |
| 14. Ecuador | 24. Panama | 33. Uruguay |
| 15. El Salvador | 25. Paraguay | 34. Venezuela |

• EU มี 28 ประเทศ

EU.

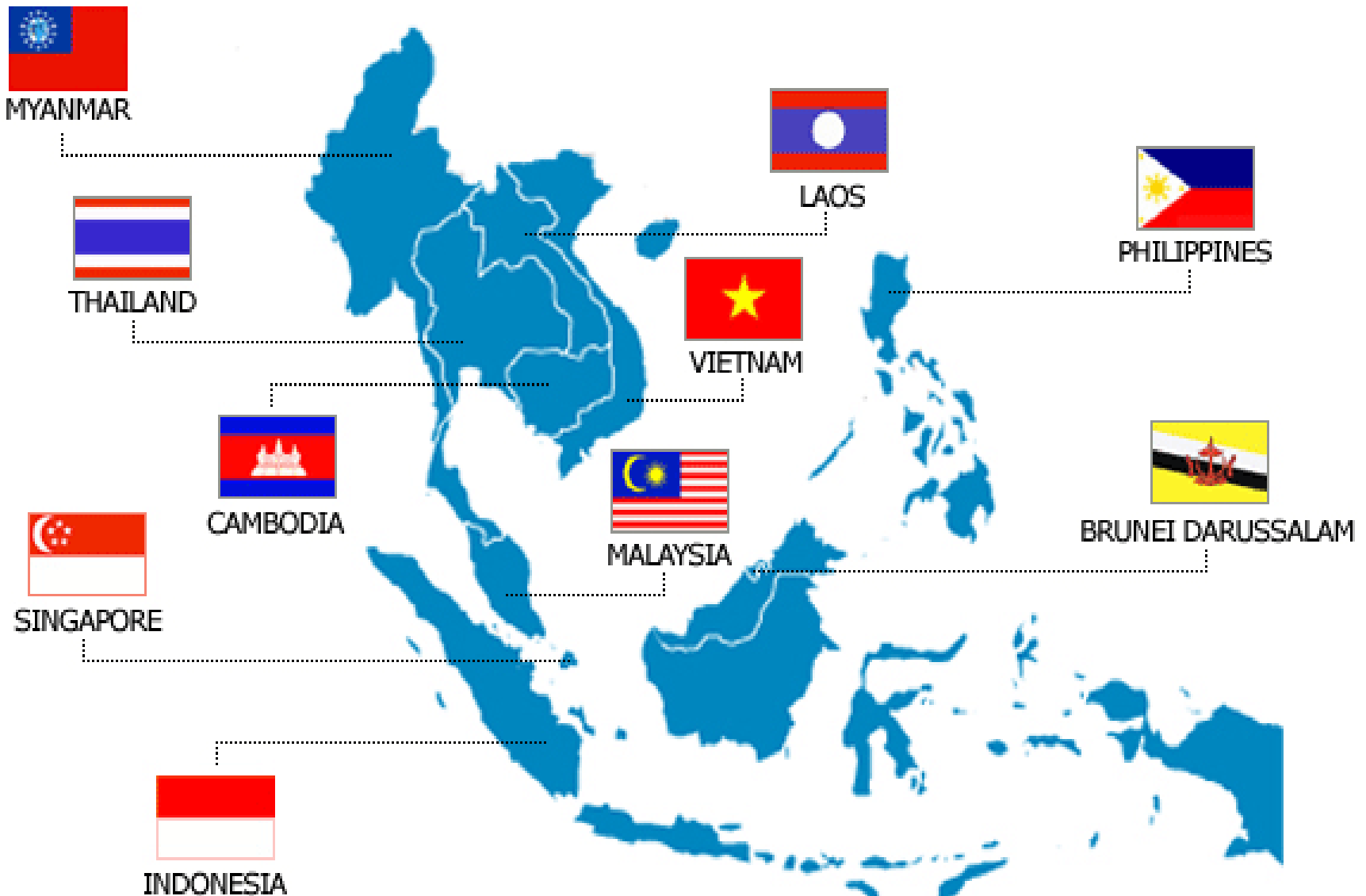
- | | | |
|----------------|-------------------|---------------|
| 1. Austria | 2. Belgium | 3. France |
| 4. Germany | 5. United Kingdom | 6. Denmark |
| 7. Ireland | 8. Italy | 9. Netherland |
| 10. Luxembourg | 11. Finland | 12. Sweden |
| 13. Greece | 14. Spain | 15. Portugal |
| 16. Bulgaria | 17. Cyprus | 18. Czech |
| 19. Estonia | 20. Hungary | 21. Latvia |
| 22. Lithuania | 23. Malta | 24. Poland |
| 25. Romania | 26. Slovakia | 27. Slovenia |
| 28. Croatia | | |

AFTA. (ASEAN-AEC)

- AFTA มี 10 ประเทศ

- Thailand
- Malaysia
- Indonesia
- Philippines
- Singapore
- Brunei
- Vietnam
- Myanmar
- Lao
- Cambodia

แผนที่กลุ่มประเทศ AFTA. (ASEAN-AEC)



APEC.

- APEC มี 21 ประเทศ
 - AFTA 7 ประเทศ
 - Australia
 - New Zealand
 - Japan
 - China
 - Taiwan
 - Hongkong
 - Korea
 - U.S.A
 - Canada
 - Mexico
 - Chile
 - Papua New Guinee
 - Peru
 - Russia

แผนที่กลุ่มประเทศ APEC.



Appendix 7

ASEM. and EAEC

- ASEM มี 53 ประเทศ
 - ประเทศ ASEAN 10 ประเทศ
 - ประเทศ EU 28 ประเทศ
 - Australia
 - Bangladesh
 - China
 - EU
 - India
 - Japan
 - Kazakhstan
 - Korea
 - Mongolia
 - New Zealand
 - Norway
 - Pakistan
 - Russian Federation
 - Switzerland
 - ASEAN Secretariat
- EAEC เป็นเพียงข้อเสนอของมหาเธร์ ไม่มีการจัดตั้ง

Appendix 8 ACD.

•ACD (Asian Cooperation Dialogue) Ministerial Meetings

ครั้งที่	สถานที่	วันที่	จำนวนประเทศที่เข้าร่วม
1st	Thailand, Cha Am	18–19 June 2002	18
2nd	Thailand, Chiang Mai	21–22 June 2003	18
3rd	China, Qingdao	21–22 June 2004	22
4th	Pakistan, Islamabad	4–6 April 2005	26
5th	Qatar, Doha	23–24 May 2006	26
6th	South Korea, Seoul	5–6 June 2007	na
7th	Kazakhstan, Astana	16–17 October 2008	na
8th	Sri Lanka, Colombo	15–16 October 2009	30
9th	Iran, Tehran	8–9 November 2010	na
10th	Kuwait, Kuwait City	10–11 October 2012	na

Appendix 8 ACD (ต่อ)

•ACD (Asian Cooperation Dialogue)

ครั้งที่	สถานที่	วันที่	จำนวนประเทศที่เข้าร่วม
11th	Tajikistan, Astana	29 March 2013	na
12th	Bahrain, Manama	26 November 2013	na
13th	Saudi Arabia, Riyadh	25 November 2014	na
14th	Thailand, Bangkok	9-10 March 2016	34

•ACD Summit

ครั้งที่	สถานที่	วันที่
I	Kuwait, Kuwait City	15-17 October 2012
II	Thailand, Bangkok	8-10 October 2016
III	Iran, Tehran	2018

Appendix 8 (ต่อ)

- ACD ประกอบด้วย 34 ประเทศ

1-10. ASEAN 10 ประเทศ

11. Bahrain

16. South Korea

12. Bangladesh

17. Pakistan

13. China

18. Qatar

14. India

19. Kazakhstan

15. Japan

20. Bhutan

Appendix 8 (ต่อ)

- | | |
|------------------|---------------------|
| 21. Russia | 28. UAE |
| 22. Tajikistan | 29. Oman |
| 23. Kuwait | 30. Mongolia |
| 24. Iran | 31. Kyrgyz Republic |
| 25. Saudi Arabia | 32. Afghanistan |
| 26. Uzbekistan | 33. Turkey |
| 27. Sri Lanka | 34. Nepal |

Appendix 9

ASEAN มี 10 ประเทศ

1. อินโดนีเซีย
2. ไทย
3. มาเลเซีย
4. ฟิลิปปินส์
5. สิงคโปร์
6. บรูไน
7. เวียดนาม
8. ลาว
9. กัมพูชา
10. พม่า

Appendix 9 (ต่อ)

ASEAN + 3 = ASEAN + จีน ญี่ปุ่น และ
เกาหลี

ASEAN + 6 = ASEAN + 3 + อินเดีย
ออสเตรเลียและนิวซีแลนด์

ASEAN - U.S. SUMMIT

Appendix 10

1. ขนาดเศรษฐกิจ การออม และการลงทุน ของประเทศไทย เทียบกับบางประเทศใน โลก

1. G-8

2. ASEAN

ตารางที่ A1 ขนาดเศรษฐกิจของประเทศ G-8 (2015)

ประเทศ	GDP	Population	Per Capita	Per Capita
	(million US\$)	(million)	GDP (US\$)	PPP GDP
USA	17,946,996	314.5	48,442	55,836
Japan	5,867,154	127.5	45,903	37,321
Germany	3,355,772	81.8	43,689	47,268
UK	2,848,755	62.3	38,818	41,324
France	2,421,682	65.4	42,377	36,677
Italy	1,814,762	59.5	36,116	35,896
Canada	1,550,536	34.9	50,345	44,310
Russian Fed.	1,326,015	143.2	13,089	24,451
G-8	37,131,672	889.1	318,779	323,083
World	69,994,693	7,004.4	10,037	11,640

ที่มา : <http://data.worldbank.org/indicator>

ตารางที่ A2 ขนาดเศรษฐกิจของประเทศ ASEAN (2015)

ประเทศ	Population (million)	GDP (billion US\$)	Per Capita GDP (US\$)	Per capita PPP GDP
Brunei	0.4	15.5	31,008	70,817
Myanmar	58.3	64.8	824	1,325
Lao PDR	6.8	12.3	1,320	5,675
Cambodia	14.8	18.0	900	3,483
Vietnam	90.6	193.5	1,411	6,022
Philippines	94.9	291.9	2,370	7,350
Singapore	5.1	292.7	46,241	85,208
Malaysia	27.5	296.2	9,656	26,891
Thailand	69.5	395.2	4,672	16,305
Indonesia	242.3	861.9	3,495	11,035
ASEAN	610.2	2,442	101,897	234,111

ที่มา: <http://data.worldbank.org/indicator>

Appendix 11

Hamburger Crisis 2008

The Symptoms of the Hamburger Crisis 2008.

- 2005:
 - Fall 2005: End of booming housing market in USA.
 - Median prices of houses dropped 3.3% between Q4/05 and Q1/06
- 2006:
 - August: U.S. Home Construction Index down over 40% y-o-y

Hamburger Crises

- 2007:
 - February – March: Subprime industry collapsed; more than 25 subprime lenders bankrupted
 - 2 April: **New Century Financial**, largest U.S. subprime lender, file for chapter 11 bankruptcy.
 - 20 June: **Merrill Lynch** seized \$800 million assets from two Bear Stearns hedge funds that involved securities backed by subprime

Hamburger Crises

- 2007:
 - 16 August: Countrywide Financial Corporation, the biggest U.S. mortgage lender, taking emergency loan \$ 11 billion from group of banks.
 - 13 September: British bank **Northern Rock** applied to the Bank of England of emergency funds.
 - 14 September: A bank run at the United Kingdom's **Northern Rock** bank.
 - 5 October: **Merrill Lynch** announced a US\$ 5.5 billion loss from the subprime crisis.

Hamburger Crises

- 2008:
 - 16 March: **Bear Stearns** sold to JP Morgan Chase at USD2 per share.
 - 7 September: US Treasury took over **Freddie Mac** and **Fannie Mae** and guarantees 100 billion dollars of debt for each institution.
 - 14 September: **Merrill Lynch** sold to Bank of America.
 - 15 September:
 - **Lehman Brothers** filed for bankruptcy after US government refuses to bail it out.
 - Credit rating agencies downgraded the debt of American International Group (AIG)

Hamburger Crises

- **16 September:**
 - US government rescues **AIG** with 85 – billion – dollar loan
 - The Fed injected another 50 billion dollars into the markets.
- **21 September: Goldman Sachs and Morgan Stanley** were turning themselves into bank holding companies subject to greater regulation.
- **26 September: Washington Mutual (WAMU)** Collapses, the biggest US bank failure to date.
- **28 September: Fortis** was partially nationalised with Belgium, the Netherlands and Luxembourg investing a total of €11.2 billion in the bank.
- **29 September: Emergency Economic Stabilization Act** defeated 228 – 205 in the United States House of Representatives;

Hamburger Crises

- o 6 October:
 - o Denmark: guarantee all banking deposits and some inter-bank loans.
 - o **BNP Paribas** takeover **Fortis** from the Belgian government for €14.5 billions.
- o 8 October:
 - o Interest rate cuts: Central banks in USA (Fed), England, China, Canada, Sweden, Switzerland, the European Central Bank

Hamburger Crises

- o 13 October:
- o Liquidity injections:
 - French → €360 billion to banks.
 - Spain → €100 billion of guarantees for new debt of commercial banks
 - UK → £37 billion to three largest banks; Royal Bank of Scotland (RBS), Lloyds and HBOS.
 - The European Central Bank → unlimited euro funds at 3.75% interest rate.
 - Italy → €40 billion in treasury bills to refinance inferior assets guarantee new bank bonds up to 5 years until end 2009
 - Dutch → €20 billion Dutch fund to recapitalize banks and insurers
→ guarantee interbank lending up to €200 billion
 - Germany → €500 billion to credit markets.

Hamburger Crises

o 14 October:

- US → \$250 billion from \$700 billion Emergency Economic stabilization Act to US banking system
half of total funds to 1) Bank of America, 2) JPMorgan chase, 3) Wells Fargo, 4) Citigroup, 5) Merrill Lynch, 6) Glodman Sachs, 7) Morgan Stanley, 8) Bank of New York Mellon and 9) State Street.
- United Arab Emirates' (UAE) → \$19 billion to domestic banks
- Japan → lifted restrictions on share buy back, strengthening disclosure on short selling, and the sale of government- owned stocks.
- Australian → \$10.4 billion stimulus package
guarantee bank deposits, all term wholesaling funding by in international markets

Appendix 12

European Economic Crisis

Interesting Facts About PIIGS Economies and Eurozone

1. Euro currency officially launched in 1999.
2. Eurozone comprised vast variety of economic size: Germany GDP (€ 2.4 trillion), Malta (€ 6,164 mil.)
3. Single currency system bestows “trade benefits” to economic strong nations and hurt the weaker ones.
 - Current account “surplus” higher for Germany
 - Current account “deficits” higher for PIIGS (Portugal, Italy, Ireland, Greece and Spain)
4. Spain, Ireland and Portugal had maintained good fiscal discipline, even better than Germany, after joining Eurozone (1999-2007) until 2007
5. Germany manages to keep low inflation rates while inflation rates of PIIGS fluctuated tremendously **reflect** limited ability to exercise monetary policies of Eurozone members.

European Economic Crisis 2011

- Partly the results of US financial crisis (subprime crisis) in 2008-2009, and
- Partly the result from Eurozone structures
- Limitations of Eurozone economies to solve the crisis:
 - inability to print their own currencies to repay upcoming debt
 - inability to implement proper monetary policies (lower interest rates) or suitable fiscal policies (more government spending to stimulate economies) without breaching Eurozone policy guidelines on government budget deficits and debts and single currency
- Fiscal austerity policy is among major response to crisis but could create “more recession” in Europe

Standard and Poor's Puts CreditWatch Negative to 15 Eurozone Sovereigns

- **On December 5, 2011**
- Systemic stresses from five interrelated factors:
 - 1) Tightening credit conditions
 - 2) Markedly higher risk premiums on Eurozone sovereigns, including some that are currently rated 'AAA'
 - 3) Continuing disagreements among European policy makers
 - 4) High levels of government and household indebtedness across a large area of the Eurozone
 - 5) Rising risk of economic recession in the Eurozone as a whole in 2012.
- Ratings could be “lowered” by up to 1 notch for **Austria, Belgium, Finland, Germany, Netherlands, and Luxembourg**,
- Ratings could be lowered by up to 2 notches for the other governments (France, Italy, Ireland, Portugal, Spain, etc.)
- Anticipate Eurozone real GDP growth in 2012 = 0.4%

Appendix 13

IMF Quota and Voting Power

IMF Quota and Voting Power

ลำดับที่	ชื่อประเทศ	Quota (%)	Votes (%)
1	United States	17.68	16.73
2	Japan	6.56	6.23
3	China	6.49	6.16
4	Germany	5.67	5.39
5	France	4.29	4.09
6	United Kingdom	4.29	4.09
7	Italy	3.21	3.06

Appendix 13

ลำดับที่	ชื่อประเทศ	Quota (%)	Votes (%)
8	India	2.79	2.67
9	Russia	2.75	2.63
10	Brazil	2.35	2.25
11	Canada	2.35	2.25
12	Saudi Arabia	2.13	2.04
13	Spain	2.03	1.95
14	Mexico	1.90	1.82
15	Netherlands	1.86	1.79

Appendix 13

ลำดับที่	ชื่อประเทศ	Quota (%)	Votes (%)
16	South Korea	1.83	1.76
17	Australia	1.40	1.35
18	Belgium	1.37	1.32
19	Switzerland	1.23	1.19
20	Indonesia	0.99	0.96
25	Singapore	0.82	0.80
28	Malaysia	0.76	0.75
30	Thailand	0.68	0.67

Source : <http://www.imf.org/external/np/sec/memdir/members.aspx#total>
https://en.wikipedia.org/wiki/International_Monetary_Fund