

INTERNATIONAL ECONOMICS PRESENTATION

SINGAPORE- THAILAND

By Group 3

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	SINGAPORE 	THAILAND 
GROSS DOMESTIC PRODUCT (G.D.P.)	\$323.9 Billion \$57714(per capita)	\$455.22 Billion \$6593.82(per capita)
POPULATION (2016)	5.61 Million	69 Million
EXPORTS TO Each Other	\$13.76 Million (Singapore to Thailand)	\$8.58 Million (Thailand to Singapore)

GRAVITY MODEL

Singapore	Volume Of Trade	Distance	GDP(IN USD Billions)
China	84844932.2	3835	12240
Malaysia	14355935.5	2830	314.5
United States	15935873.18	3440	19390
Hong Kong, China	20976233.94	2105	341.44
Indonesia	31537145.05	4563	1020
Japan	35853372.53	5246	4870
Korea, Rep.	40584337.92	2848	1530
Thailand	46479348.59	2589	455.22
India	53753020.21	15280	2600
Vietnam	67869243.7	516.5	223.86
Thailand	Volume Of Trade	Distance	GDP(IN USD Billions)
China	65822557.95	2244	12240
Japan	51285265.5	4312	4870
United States	36598157.51	9326	19390
Malaysia	20493321.47	1701.9	314.5
Singapore	14587138.59	2109	323.9
Indonesia	14433850.68	4593	1020
Vietnam	13784505.69	1116	223.86
Australia	13685333.13	5788	1320
Hong Kong, China	12995188.35	1555	341.44
Philippines	9077808.07	2261	313.59

	Correlation	
	Distance	GDP(in dollars)
Singapore	0.12	0.024
Thailand	0.2	0.69

Comparative Advantage

REVEALED COMPARATIVE ADVANTAGE

Revealed Comparative Advantage Index

- Measures of revealed comparative advantage (RCA) have been used to help assess a country's export potential.
- The RCA indicates whether a country is in the process of extending the products in which it has a trade potential, as opposed to situations in which the number of products that can be competitively exported is static.
- It can also provide useful information about potential trade prospects with new partners. Countries with similar RCA profiles are unlikely to have high bilateral trade intensities.

- The RCA index of country “i” for product “j” is often measured by the product’s share in the country’s exports in relation to its share in world trade:

$$RCA_{ij} = (x_{ij}/X_{it}) / (x_{wj}/X_{wt})$$

Where x_{ij} and x_{wj} are the values of country i’s exports of product j and world exports of product j and where X_{it} and X_{wt} refer to the country’s total exports and world total exports.

- A value of less than unity implies that the country has a revealed comparative disadvantage in the product. Similarly, if the index exceeds unity, the country is said to have a revealed comparative advantage in the product.

REVEALED COMPARATIVE ADVANTAGE OF THAILAND OVER SINGAPORE

Product Group	1989	1990	1991	1992	1993	2011	2012	2013	2014	2015
All Products	1	1	1	1	1	1	1	1	1	1
Animal	2.86	2.74	2.07	1.87	1.75	0.82	1.02	0.97	0.98	1.05
Chemicals	0.27	0.32	0.32	0.25	0.18	0.69	0.71	1.24	1.23	1.06
Food Products	0.9	0.78	0.63	0.73	0.66	1.87	1.86	1.91	1.93	1.79
Footwear	2.05	1.85	1.6	1.15	0.95	0.49	0.44	0.39	0.38	0.42
Fuels	0	0	0.04	0.2	0.16	1.27	1.35	1.17	1.02	1.06
Hides and Skins	1.91	1.63	1.98	2.01	1.51	0.48	0.55	0.96	1.05	0.71
Mach and Elec	1.2	1.43	1.55	1.6	1.57	0.92	0.89	0.93	1.02	1.06
Metals	0.58	0.48	0.31	0.26	0.23	0.78	0.65	0.63	0.62	0.51
Minerals	5.92	0.78	0.72	0.69	0.99	0.42	0.3	0.62	0.82	0.93
Miscellaneous	0.52	0.32	0.4	0.32	0.34	0.36	0.35	0.38	0.37	0.38
Plastic or Rubber	2.54	2.73	1.72	1.53	1.26	1.48	1.27	1.34	1.33	1.24
Stone and Glass	1.04	0.7	1.63	1.48	1.23	0.72	0.56	0.82	0.86	0.7
Textiles and Clothing	1.83	1.65	1.21	1	0.98	1.13	1.07	1.03	1.06	1.16
Transportation	0.11	0.14	0.07	0.05	0.06	0.27	0.34	0.44	0.74	0.79
Vegetable	3.07	3.14	2.32	1.88	1.7	2.33	2.28	2.84	2.8	2.53
Wood	0.49	0.33	0.23	0.22	0.26	0.87	0.78	0.71	0.8	0.85

REVEALED COMPARATIVE ADVANTAGE OF SINGAPORE OVER THAILAND

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ASSUMPTIONS FOR THE STUDY OF TRENDS

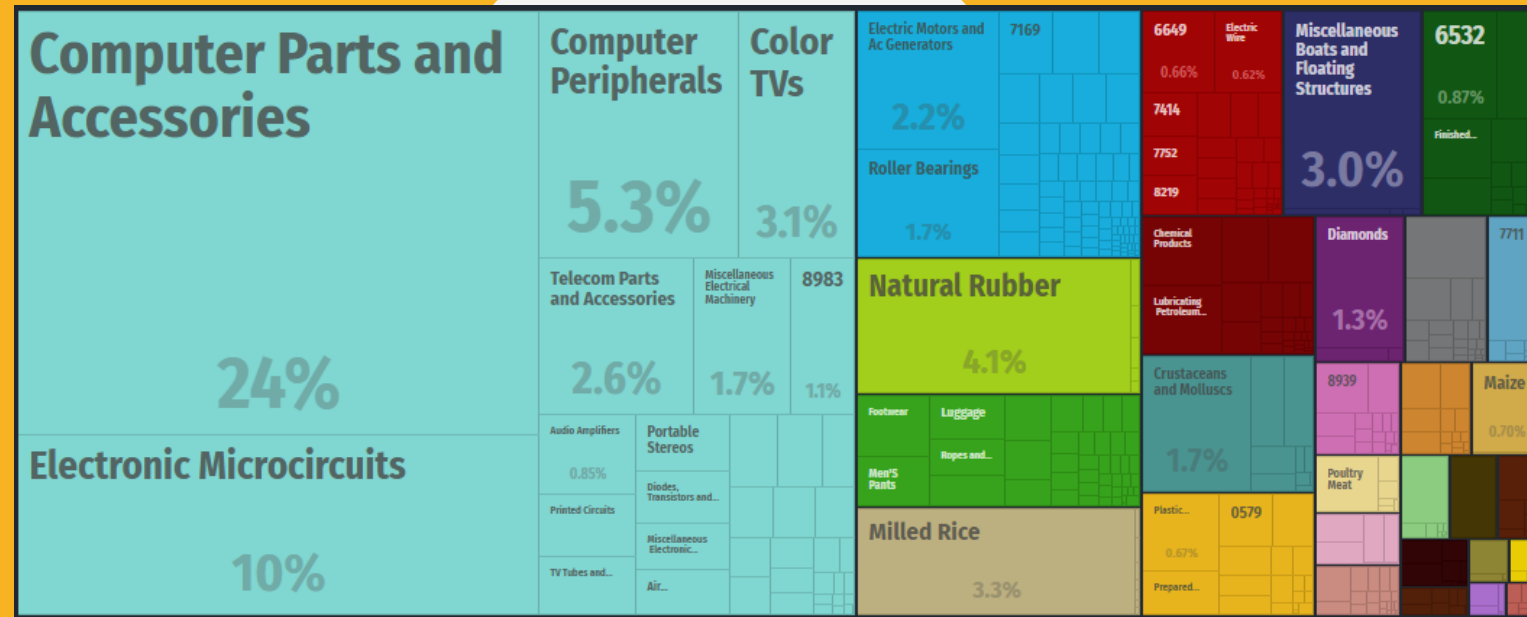
Capital Intensive	Labour Intensive
Machinery And Electronics	Textile And Clothing
Food Products	Vegetable
Plastic/ Rubber	Animal
Stone And Glass	Footwear
Metals	Wood
Transportation	
Chemicals	
Fuel	

ANALYSIS

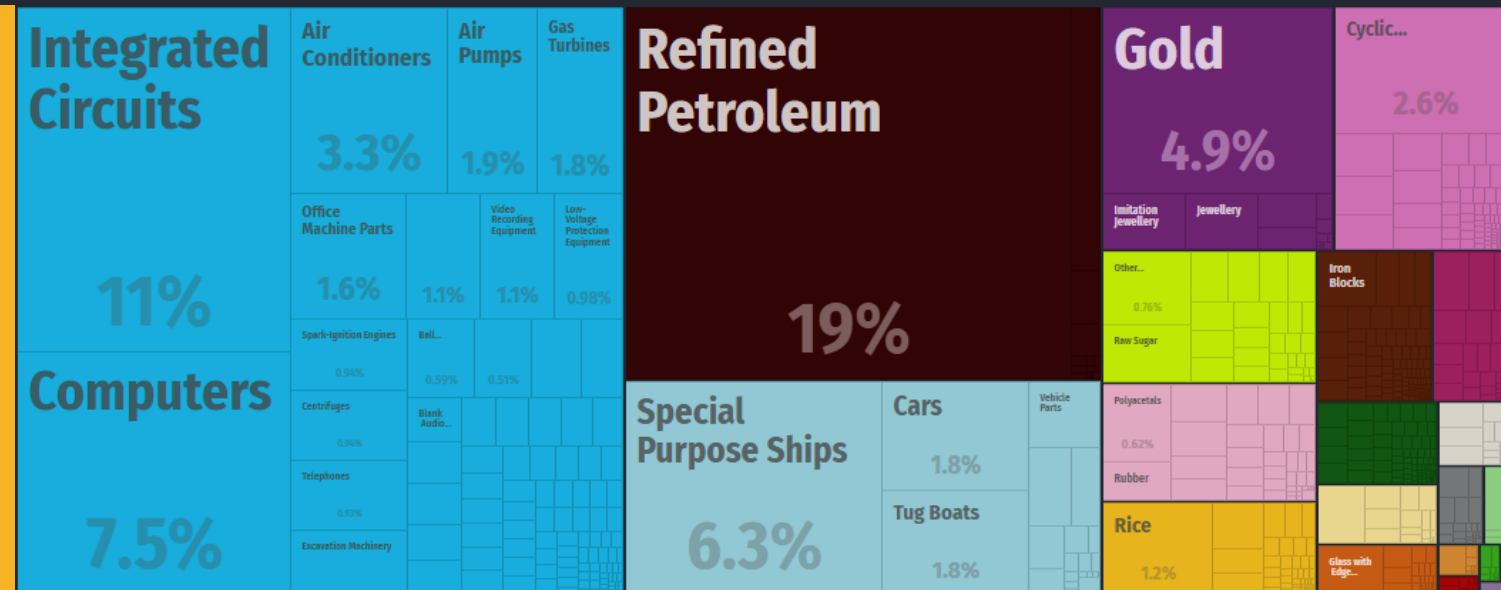
- Singapore's shift from labour intensive to capital intensive
 - Rapid Industrialization
 - Attracting foreign capital
- Export Structure
- Investment Patterns

Comparative Advantage of Thailand in Past and Present

In 1991

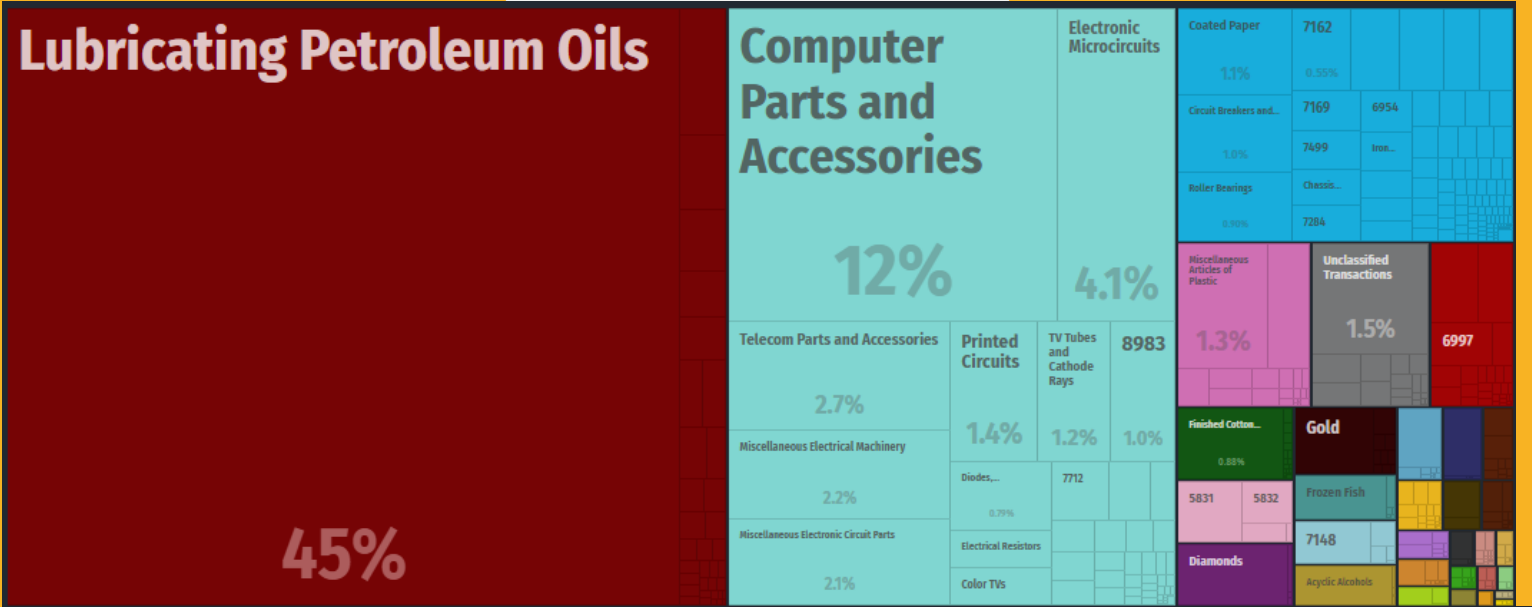


In 2015

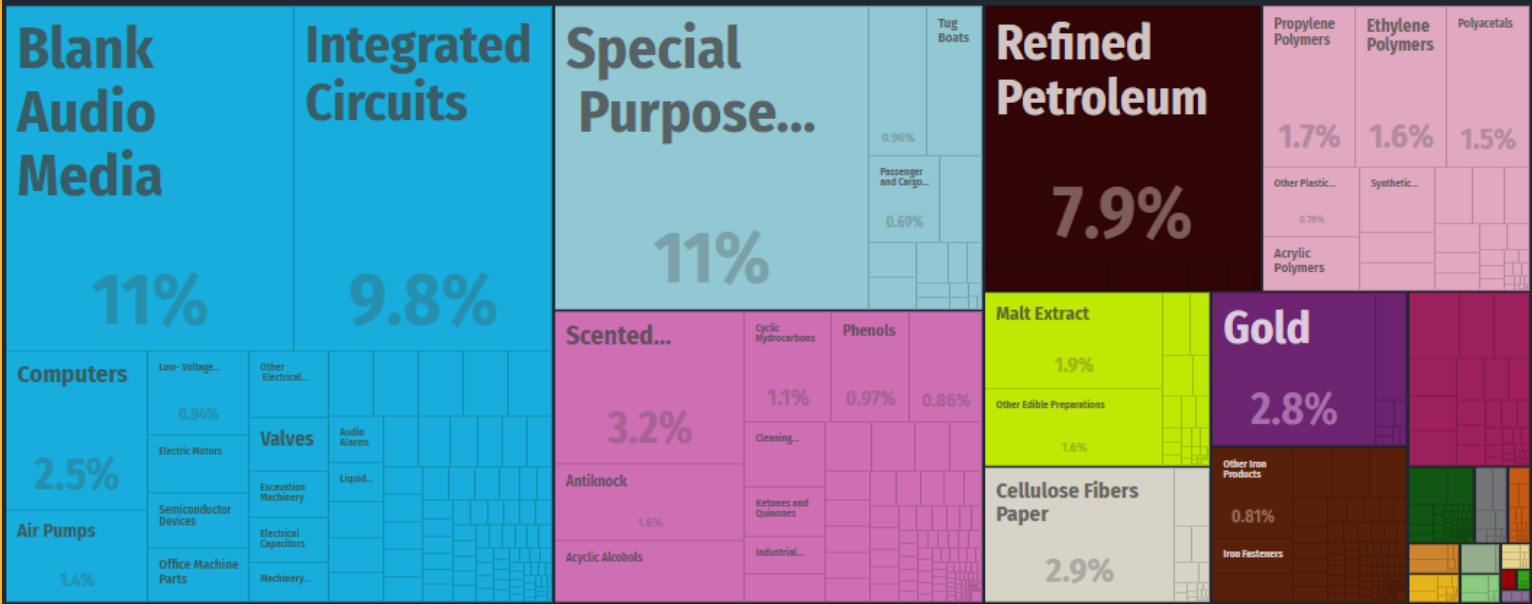


COMPARATIVE ADVANTAGE OF SINGAPORE IN PAST AND PRESENT

In 1991



In 2015



REASONS FOR INCREASING EXPORT MANUFACTURING

- Free Trade Regime
- Role of Economic Development Board
- Skill Development of Labour
- Decrease in Agriculture

PAST AND PRESENT COMPARATIVE ADVANTAGE OF SINGAPORE

Product Group	Avg CA past
Fuels	4.836
Mach and Elec	1.164
Plastic or Rubber	1.04
Capital goods	0.944
Transportation	0.88
Consumer goods	0.716
Miscellaneous	0.53
Chemical	0.478
Wood	0.444
Stone and Glass	0.41

Product Group	Avg CA present
Hides and Skins	2.3
Consumer goods	1.854
machine and elec	1.736
Miscellaneous	1.718
Food Products	1.692
Raw materials	1.668
Animal	1.206
Fuels	1.078
Plastic or Rubber	0.964
Wood	0.746

 Labour Intensive
 Capital Intensive