

## CHAPTER 6

### CONCLUSION

#### A. Summary and Conclusion

The empirical study of the net barter, the gross barter, and the income terms of trade of Thailand shows that the welfare of Thailand in international trade should deteriorate during 1974-1979, compared to 1973. That was because Thailand received a smaller quantity of imports in exchange for a given quantity (or value) of exports during 1974-1979 than in 1973.

The comparison of the total terms of trade of Thailand to Thailand's terms of trade (excluded oil) shows a different situation. Thailand's terms of trade (excluded oil) were better than Thailand's total terms of trade. Thus, it can be concluded that the importation of oil cause the deterioration of Thailand's total terms of trade. However, Thailand's terms of trade (excluded oil), generally, were unfavorable for Thailand during 1974-1979, which shows that not only the importation of oil causes the deterioration of Thailand's total terms of trade but also the importation of manufactures.

The results of the terms of trade of Thailand and ASEAN show that Thailand had the losses from international trade between Thailand and ASEAN during 1974-1979, compared to 1973. That was because Thailand received a smaller quantity of imports from ASEAN in exchange for a given quantity (and value) of exports to ASEAN during 1974-1979 than in 1973, and Thailand imported a lot of oil from ASEAN.

Thailand also had the losses from international trade between Thailand and Japan during 1974-1979, compared to 1973. It may be

because Thailand imported a lot of manufactures from Japan and exported the primary products to Japan.

Thailand had few gains from trading with EEC and United States during 1974-1979. It meant that Thailand received a larger quantity of imports from them in exchange for a given quantity (or value) of exports to them during 1974-1979 compared to 1973. It may be because Thailand exported a lot of textiles, and tin to them.

In the case of the movement of the prices of exports of each section of BTN code, they had the increasing trend during 1974-1979, especially section 15 (base metal). The export prices of base metal increased by 200 percent from 1973 to 1974. The export quantities of each section also had the increasing trend, except section 05, and section 19 (quantities of exports of section 10, 12, and 16 increased very much during 1974-1979). And, the export value of section 10, 12, 16 also increased very much in this period.

On the import side, the import prices, quantities, and value of each section, generally, increased in the period of the study, except the import quantities of section 11 (textile). The import quantities of textile had the decreasing trend in this period.

Comparison of the results of this study to the study of Mr. Sathien shows different results. Thailand's total terms of trade in Sathien's study had the favorable trends (Sathien's study used only Paasche index and cover the year 1960, 1963, 1966, 1969, and 1972) but this study had the unfavorable trends. In the case of the terms of trade of Thailand and Japan, the results in Sathien's study show the favorable trends, but they had the unfavorable trends

in this study. The terms of trade between exports of primary products and imports of manufactures also had the favorable trends in Sathien's study, but they had the favorable trends only in the income terms of trade in this study. The results are different because the oil crisis did not occur in the period of Sathien's study.

#### B. Suggestions for Further Study

Some future studies may be in the form of finding the factors behind the movements of Thailand's terms of trade. The research work may concentrate on the commodity items which are the major exports, and imports. The major sections of BTN code of Thailand's exports which are the major determinants of the unit value, quantity, and value indices of total exports, are in sections 02, 04, 07, 11 and 15. The major sections of Thailand's imports are section 05, 06, 15, 16 and 17 of BTN code which are also the major determinants of the unit value, quantity, and value indices of total imports.

Some further studies may concern the effect of the terms of trade on the domestic economy, namely domestic inflation, domestic productivity, GNP, or balance of payments.