The Linkages of Agriculture to the Thai Economy

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In an economy, a sector is linked to other sectors by its direct and indirect purchases and sales. Although agriculture share of the Thai economy is relatively large since agricultural sector employs more than 80 percent of the Thai labor force, Thai agricultural sector has a weak linkage to other sectors in the economy in terms of both backward and forward linkages. When considering only the possibility of forward linkages in this sector, we find that all agricultural products in 29 agricultural sectors act as upstream sectors that provide the Thai economy with only basic inputs (forward linkages). Thai policymakers should therefore focus on creating policies to provide ways to improve these forward linkages in order to create value-added in this sector.

Keyword: Economic Linkages, Agriculture, Thailand