



Editorial

Current Economic Challenges

This issue of Applied Economics Journal consists of four papers discussing both economic issues and challenges in Thailand and other countries. In the first paper, Kumpon Pohnpattanapaisankul examines the impact of demographic change, specifically aging population, on inflation in Thailand. Using data from the period of 2001 to 2016, the author finds that aging population has a clear deflationary pressure. In the second paper, we turn to the impact of government size on economic growth. Sheraz Rajput and Aziz Tariq examine the relationship between the size of government and economic growth. Interestingly, the authors find a non-linear relationship in non-OECD countries. Specifically, government size initially increases growth but later reduces it. In contrast, they do not find such non-linear relationship in OECD countries. In the third paper, we turn to the Thailand Futures Exchange Market, which is still an emerging market. Polwat Lerskullawat studies hedge effectiveness in the Thailand Futures Exchange market (TFEX). The author finds that SET50 futures have the best hedge ratio and hedge effectiveness in Thailand. In the last paper, we turn to the issue of business cycles. Dicle Ozdemir studies the underlying process governing the business cycles of Turkey. The author fits the Markov switching model to data from 1998 to 2019, and interestingly finds that the high-growth regime periods are longer than the low-growth regime periods.