



## Editorial Note

It is with great pleasure that I present the latest issue of the Asian Journal of Applied Economics (AJAE), Volume 31, Issue 2 (July-December 2024). As we continue to advance our mission of disseminating impactful research in the field of applied economics, this issue features eight diverse and insightful articles that contribute to our understanding of critical economic and policy issues, particularly in the Asian context.

### 1. An Empirical Analysis of Private SMEs' Insolvency in Thailand Using Machine Learning

This article examines the insolvency risk among private Thai SMEs across different sectors, utilizing LASSO logistic regression. The study highlights the significant role of financial ratios in predicting insolvency and provides key insights into sector-specific risks, emphasizing the importance of targeted financial strategies for medium-sized firms and businesses in less competitive areas.

### 2. Mitigating Farmland Fragmentation through Land Rental Markets: Evidence from Rural Households in Northeast and Central Thailand

Focusing on the agricultural sector, this research examines how land rental markets can reduce land fragmentation in rural Thailand. The findings highlight the role of land rental in promoting larger, more cohesive farming plots and suggest policy measures to balance land consolidation with farm diversity, especially in regions prone to shocks.

### 3. The Cost of Traffic Congestion and Marginal Cost of Delay in Bangkok Metropolis

Addressing a critical urban issue, this article estimates the economic costs of traffic congestion in Bangkok. The study quantifies the financial burden on commuters and underscores the potential benefits of congestion mitigation strategies, offering a foundation for future research on optimal congestion pricing.

### 4. Can APEC Bridge the Divide? A Game Theory Approach to US-China Cooperation

Through a game theory lens, this international political economy article explores the potential for US-China cooperation within APEC amidst ongoing rivalry. The analysis suggests that while the current dynamics resemble a Prisoner's Dilemma, strategic long-term cooperation could yield substantial benefits, particularly if APEC institutions foster trust and transparency.

**5. The Impact of Government Expenditure and Tertiary Education on High-Technology Exports: Evidence from Asia-Pacific and European Nations**

This study examines the impact of tertiary education and government spending on high-technology exports in Asia-Pacific and European countries from 2007-2022. Results show positive effects overall, with significant regional differences. Tertiary enrollment boosts exports in Asia-Pacific, while government spending is more influential in Europe. The research offers policy recommendations for enhancing high-tech exports through strategic education investment.

**6. An Empirical Investigation of the Relationship Between Foreign Direct Investment and Unemployment Rate in Azerbaijan: An ARDL Approach**

This study investigates the long-term impact of Foreign Direct Investment (FDI) on unemployment in Azerbaijan. Using an ARDL model, the research finds a significant negative relationship between FDI and unemployment over the long term, providing valuable insights for policymakers aiming to attract FDI as a means to reduce unemployment.

**7. Trade Openness, Economic Growth, and Greenhouse Gas Emissions: An Empirical Examination of Carbon Dioxide and Methane Emissions**

This research explores the complex interplay between economic factors and environmental outcomes, particularly in the context of CO<sub>2</sub> and CH<sub>4</sub> emissions. The study supports the Environmental Kuznets Curve hypothesis and calls for balanced policies that promote both economic growth and environmental sustainability, with a focus on low-carbon technologies.

**8. The Impact of Bank Credit on Economic Growth in Lao PDR**

This study examines bank credit's impact on Lao PDR's economic growth from 1992 to 2022. Findings show private sector credit positively influences growth, while state enterprise credit has a negative impact. The study recommends encouraging private sector lending and stricter regulations on state enterprise credit to reduce non-performing loans.

These articles collectively demonstrate the breadth and depth of economic research being conducted across Asia. They not only contribute to academic discourse but also offer practical insights for policymakers and practitioners alike.

We extend our gratitude to all authors, reviewers, and readers who continue to support AJAE. Your contributions and engagement are vital to our mission of fostering economic research that addresses real-world challenges in Asia.

As always, we invite submissions for future issues, particularly those offering innovative solutions to economic problems in the Asian context. We remain committed to open access and do not charge any fees for publication. For submission guidelines and more information, please visit our website.

We hope you find this issue informative and thought-provoking, and we look forward to your continued support and engagement with AJAE.

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