

COUNTRY RISK PRESENTATION: THAI BAHT

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Baht, like the pound, used to be a unit of mass. Its value corresponded to the weight of silver. 1 Baht was equal to 15 grams of silver.

Now, 1 coin of 1 Baht weighs about 15 grams (not silver any more).

Symbol: ฿

The currency is issued by the Bank of Thailand

Tenth most frequently used world payment currency.

So, it is a very influential currency.

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Exchange rate history for 1 year.

Now you have 39 THB for 1 EUR and 33 THB for 1 USD.

The Baht has risen by 8% against the USD this year. This rise was driven by Thailand's current account surplus and investors' confidence of the economy.

THB is Asia's best performing currency.

But this is a problem: it is too strong for a country where 70% of economic activity is based on exports and which has to compete against China and India.

And economists are warning the government because it is spending too much money on infrastructure while current interest rates are discouraging foreign investors.

So, the strength of Baht is uncertain for the coming few months.