

Country Report of Thailand
on
Supporting a Multilateral Trading System
at the 2nd AIPA Caucus
22-25 June 2010, Singapore

Recognized that the trade system has been a critical issue for all countries and an impetus for transnational and regional cooperation as a means to seek ways to secure an adequate and stable economic system, Thailand remains open to the foreign trade and investment. Our country's active engagement in bilateral, regional and multilateral economic arrangement reflects the readiness to integrate itself into the world economy.

It has been reported that the Thai economy in April 2010 steadily expanded at 12 percent when compared with the same period last year, but slowed down slightly when compared with March 2010. The export figure for April was still encouraging with a growth of 35.2 percent year on year. Similarly, private investment as represented by capital goods import grew at 39.4 percent. The situation is estimated to cost the Thai economy 145 billion baht or 1.5 percent of the country's GDP. Well aware of the negative impact and loss of opportunity for trade and investment caused by the political turmoil, Thailand therefore implements series of measures, in national, regional and international levels in order to mitigate the damage and bring about a speedy economic recovery.

At the national level, the Ministry of Commerce continues to promote and facilitate trade and investment through consistent and transparent trade policies. For example, additional trade fairs and best buy markets, including bargain price sales such as the "Blue Flag" consumer products festival were held. Thailand also provides assistance in the form of business matching through the organization of two trade fairs, namely, "Thailand Best Friend" and "Thaifex" which will be held in Bangkok towards the end of June and early July, respectively.

At the regional level, Thailand, as an original member of ASEAN, participates in the ASEAN Free Trade Area (AFTA), the ASEAN Framework Agreement on Services (AFAS), the ASEAN Industrial Cooperation Scheme (AICO), and the ASEAN Investment Area (AIA) in order to accomplish the *ASEAN Economic Community: AEC* by 2015. Our country perceives that the trade opportunities resulting from the AEC will be fully realized. Thailand has established an 'ASEAN First Policy' and 'ASEAN Awareness' initiative to foster regional partnerships and open up new trade and investment opportunities; while at the same time, intensive and continuous efforts are being made to equip Thai entrepreneurs with the knowledge and skills they need to cope efficiently with the anticipated increased competition.

In addition, Thailand has set up a "Three Rings, Five Doors" strategy in order to support the multilateral trading system. For "Three Rings" or three FTAs, Thailand focused on three main FTAs. The first ring is the ASEAN FTA. The second ring is

“ASEAN+3” or the ASEAN-China-Japan-Korea FTA. The third ring is “ASEAN+6” or the ASEAN-China-Japan-Korea-India-Australia-New Zealand FTA. For “Five Doors,” Thailand’s five regions will be developed into special development zones which will facilitate trade with our neighbors; Cambodia, Laos, Malaysia and Myanmar. At the International level, Thailand has played an active role in WTO and the launch of the Doha Development Agenda (DDA), which focuses on the development dimension of trade, greater market access and clearer and fairer trade rules. Supporting Free Trade Agreements in the WTO provides a channel for members to increase competitive capability of exports to markets such as United States, Japan and European Union, and enlarges the export opportunities in new markets such as China and India.

In conclusion, Thailand is supportive of national, regional and international agreements in goods, services and investment with a particular aim of broadening the export market in ASEAN. For this reason, Thailand focuses on reducing trade obstacles, both tariff and non-tariff barriers, and supports transnational and regional cooperation in this area. Nevertheless, Thailand still requires more time and flexibility in the implementation of the system’s agreements. Market opening initiatives should be accompanied by capacity building efforts. Such efforts could help Thailand strengthen its key sectors and institutions, including its regulatory and implementing mechanisms in order to enhance the ability to take advantage of new market opportunities.