

Thailand's Strategy toward FTAs in the New Context of East Asian Economic Integration

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Abstract

It is over a few decades that an economic openness has been the main driving force behind Thailand's economic progress. The country has much benefited from the global trading system which has become more liberalized although recently has been facing with further difficulties for its future trade liberalization. Thailand has also been able to strengthening economic linkages with its major and regional trading partners with trade and foreign direct investment (FDI) increase considerably since the second half of the 1980s, even accounting for the sluggish period around the 1997/98 financial crisis.

Keywords: Thailand, FTA, Integration

Introduction

The new departure of Thailand's trade policy is understandably related to the changing proliferation of regional trading arrangements and the increasing concerns over market access for its trading partners, especially more competition has been pressured hard for firms doing business abroad more than ever seen before. Many onlookers could view this change as for how the country could compromise its commitment to the multilateral trading system which remains its priority before this new dynamic setting taking place.

Of all regional and bilateral FTAs, ASEAN preferential trading arrangements are considered the oldest and the most advanced as Thailand like other members of the grouping are to prepare for further deepening integration commitments according to the ASEAN Economic Community (AEC) framework by 2015. Other bilateral trading arrangements that have been implemented so far included partners like Australia, China, India, Japan, New Zealand with new framework agreements and negotiations included countries like Peru, Bahrain, Republic of Korea, EFTA, EU and perhaps USA. This is not to include other regional and sub-regional arrangements like GMS, ACMECS, BIMST-EC, IMT-GT, for instance, with which the primary concern is to deal with sub-regional development rather than preferential trade per se. All these preferential trading arrangements have been done in conjunction with many other countries in the region thus it makes like Thailand contributed in part to the increasing number of East Asian FTAs or the effects of the Asian "Noodle Bowl" which have been mentioned much more recently among policymakers and academic agenda.

This paper illustrates how Thailand's strategy toward FTAs is actually working. It will be organized as follows. Section 2 gives an overview of recent trends of the country's FTAs. Section 3 will investigate the motivations and some important implications, especially in terms of its implementation which is still an ongoing issue among policymakers debate. Section 4 is devoted to its future direction and

challenges with regard to the Asian “Noodle Bowl” and the case for an East Asian FTA while the last Section 5 concludes the findings.

2. Recent Trends of Thailand's Commitments

Generally, Thailand's merchandise trade accounts for more than 100 percent of overall GDP. The 1997/98 financial crisis made the country even dependent more for its trade as engine to boost economic growth. With such changes, Thailand's trading partners and products have become more numerous and diversified. Trade and investment liberalization has also strongly helped the features of the Thai economy to integrate further with the regional and global production networks. Thailand can no longer afford to hold back to its protectionism known until the 1970s. In general, supporting a free and fair trade is desirable that introduces changes and to promote progressive liberalization. Indeed, a liberal policy is seen as “..a need to strengthen the competitiveness and efficiency of domestic industries to be able to compete in the rapidly- changing trading environment and be able to prosper amid increasing competition.” (WTO(2007): 11).

Multilateral Liberalization

According to Thailand's multilateral trade commitments under the WTO, Thailand's overall simple average tariff rate was reduced from 13 percent in 2003 to 11 percent in 2006. It could break down into a tariff average of 25.3 percent in 2003 and 25.2 percent in 2006 for agricultural products and 11.0 percent in 2003 and 8.7 percent for non-agricultural products (Table 1). Bound tariff lines represent 73.7 percent based on more than four thousand bound tariff lines. Nowadays, tariffs have been reduced and the range has narrowed to attract export-oriented manufacturing activities which need inputs not produced locally, raw materials, semi-finished products and some finished products. This has helped Thailand to have average tariff level closer to other regional economies like Indonesia, Malaysia, Indonesia and China.

However, Thailand still maintains a legacy of complicated tariff structure with tariff “peaks” (Table 1) and tariff dispersion. In fact, effective rates of protection (ERPs) are low in export-oriented activities but high-to-very-high in several import-competing agricultural and manufacturing activities (Athukorala *et al.* (2004)). Customs procedures have been improved quite tremendously in the past few years to match with the rapid needs of transport for trade. Non-tariff barriers of all sorts like quotas, import licensing, export licensing, export duties, specific-controlled food products, trade mark and patent protection, for example, have all made clear to the multilateral process and are well in line with other regional economies. However, agricultural trade protection still remains major obstacles especially for imports due to complicated import licensing, tariff quotas on at least a few products that deem to compete with the domestic equivalent ones.

Like other developing countries, trade in services is generally protected but has progressively been liberalized in most sectors except those that Thailand views to compete well at the international marketplace. Financial services, for example, have generally been quite protected, but have become more open due to the 1997/98 financial crisis and the pressure from financial globalization. Tourism and its related activities are generally well positioned to enjoy strong comparative advantage so Thailand feels more pro-active at any talks for more trade liberalization. Transportation is another major sector that Thailand feels the needs to improve its logistic and supply chains reaching more to neighboring and major regional countries, so there is much talks how to liberalize, deregulate, privatize the activities of this particular sector in order to reduce business transaction costs and improve overall trade competitiveness.

Regional and Bilateral Liberalization

Like other developing countries, Thailand used to rely mainly on non-discriminatory unilateral liberalization reinforced by the WTO process. However, since there are more difficulties to liberalize within the multilateral process, especially during the Doha development

round, Thailand's attention has changed to other possibilities as a result⁽¹⁾. Closer to home, the country has continuously played a constructive role in supporting ASEAN, in particular the ASEAN integration initiatives, to further solidify a united region. At broader regional initiatives, Thailand has been active in trade liberalization, facilitation and cooperation initiatives of both APEC and ASEM. The 1997/98 financial crisis also put pressure for more economic growth which could only be done by having more trade with the world. In conjunction with the backdrop of proliferating FTAs initiatives in the region, the government views that FTAs could help to "...gradual increases in market access for FTA partners, while granting domestic industries time to adjust to progressively liberalized exposure to global competition...". (WTO(2007): 32, paragraph 183)

Trade liberalization under AFTA has been done following the Common Effective Preferential Tariff (CEPT) scheme since 1993. The first ten years to realize AFTA were achieved by 2003, with ASEAN-6 reduced tariffs to a level of 0 to 5 percent. Still, the ASEAN-6 countries (Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore and Thailand) have to further eliminate tariffs to 0 percent for all products by 2010, with some reservations for items on the Exclusion List, with ASEAN-4 countries (Cambodia, Lao PDR, Myanmar and Viet Nam) having to eliminate similar tariffs for all products by 2015. After the completion of the CEPT scheme, Thailand will have approximately 8,300 tariff lines with over 6,600 tariff lines to be reduced to zero percent in 2007 and remaining 1,700 tariff lines to be eliminated by 2010. (Table 2)

As for trade in services liberalization, Thailand has made additional commitments, under the ASEAN Framework Agreement on Services in December 2006, to the GATS on business services, telecommunication, healthcare, tourism, and maritime transport. In addition, since 2004, Thailand agreed with all ASEAN members to accelerate the integration of 11 priority sectors (agro-based products, fisheries, wood-based products, rubber-based products, automotives, textiles and apparels, electronics, e-ASEAN, healthcare, air travel,

and tourism) by developing the Roadmap for Integration of 11 priority sectors. It was later in 2005 that the logistic sector was added as one of the priority sectors as well. However, critics still place slow progress of all other areas also covering the ASEAN Investment Area (AIA) and standards and mutual recognition arrangements, apart from the acceleration of the AFTA timetable under the CEPT framework which seems to be the only concrete progress in ASEAN economic integration.

The latest blueprint to create an ASEAN Economic Community by 2015 is another ambitious plan for the grouping to realize a single market for goods, services, capital and the movement of skilled labor. Unlike the process taking up to date, the AEC is also ambitious in its goal which will be not easily realized in practice. These latest initiative will leave a lot of homework for ASEAN as a whole in terms of integration exercises and actions to be taken in the years to come. Thailand, for instance, will act as venue for the ASEAN Summit meetings for 2008 and 2009. Hopefully, much progress will be realized for its AEC as the process will involve with most interested parties so to say that active participation and action are required to guarantee the success of such a plan.

Also following the 1997/98 financial crisis and by the turn of the century, Thailand has started to explore more possibilities in bilateral trade liberalization. The country has not only seek for individual negotiations with its major trading partners, but it has also taken part in the negotiations of FTAs between ASEAN and some dialogue partners such as ASEAN-China, ASEAN-India, ASEAN-Japan, ASEAN-Korea, ASEAN-EU, ASEAN-Australia and New Zealand (Table 2). On the potential list of countries, Thailand is in the process of negotiating with several countries like India and Peru, while negotiations with the United States and the European Free Trade Association (EFTA) have been on hold due to political situation in Thailand.

From the very beginning, early-harvest tariff reduction for fruit and vegetable products was the first initiative to be implemented in

October 2003 as Thailand and China had some wishes to show to the rest of ASEAN countries before extending to commitments to trade in goods agreement in force since July 2005 and more of other liberalization and cooperation schemes that would follow in the years to come.

Thailand-India FTA also started with early-harvest tariff reduction for 82 products in September 2004 with a plan to eliminate completely tariff from September 2006. Negotiations for the rest of tariff liberalization are subject to further common interests and agreements that would follow as well the progress done in ASEAN-India FTA talks.

Thailand and Australia Free Trade Agreement (TAFTA) and, Thailand and New Zealand Closer Economic Partnership Agreement both entered into force on January 2005 and July 2005 respectively. These two arrangements are comprehensive and aim for complete elimination starting from 2010 until 2025. Also in 2005 that Thailand and Bahrain framework agreement is also into force while progress will be closely monitored by both sides.

Finally, the achievement of the Japan-Thailand Economic Partnership Agreement (JTEPA) is another important challenges that Japan and Thailand had signed in April 2007 after several rounds of bilateral negotiations. The agreement is entered into force since November 2007 with coverage based on trade in goods, trade in services, as well as investment. More than 90 percent of total tariff lines will be subjected to tariff reduction/elimination or tariff quota, accounting more than 95 percent of 2005 import value from the other party.

In sum, Thailand's FTA trading partners are taking quite significant share of the overall trade, with ASEAN representing around 20 percent of the total, followed by Japan with a share of 16 percent, then China with a 10 percent share, Australia with a share around 3 percent, India with a share of 1.7 percent and finally New Zealand with a share of 0.4 percent. All these countries could be said to represent around half of Thailand's overall trade.

3. Motivations and Effects

Thailand is actively taking part in a number of regional and bilateral trade agreements shown from its various commitments as abovementioned. The country had joined the bandwagon effect of FTAs among the East Asian economies especially by the turn of the century. It is important to look at the kind of country's motivations and possibly implications that might result from having such numerous FTAs.

Motivations

In order to discuss how Thailand did go forward on a strategy of multi-level FTAs, one might like to look at the practical level to find out both economic reasons and political factors that favored such a change. For a broader context, Kawai and Wignaraja (2008) reviewed three factors behind recent FTA initiatives in East Asia as follows: Deepening of market-driven economic integration, progress of European and North American economic integration and Asian financial crisis. Among all these three factors, the progress of regional economic linkages and interdependence was seen as the most important factor of such an emergence. Meanwhile, economic regionalism in Europe and North America seems to encourage the regional economies to pursue these arrangements. As for the 1997/98 financial crisis, lessons learnt were involved with the kind of economic cooperation in order to back up economic growth and stability.

As for specific motivations dealing with the Thai case, we could start to observe the economic reasons. To start with, it is true that Thailand has good potential for linking its trade and production with the regional and global economy. Up until before these multi-level FTAs, the functioning of the WTO and AFTA processes seem to be going well to service the country's external linkages. However, with the 1997/98 financial crisis, Thailand felt the need to promote closer economic cooperation and especially to guarantee market access for its trade with major partners. Although regionalism is regarded as the second-best policy, Thailand like many countries started more visibly

to explore this initiative. In so far, bilateral agreements have rapidly become the new dynamics of Thailand's pursuit for increasing market access and improving competitiveness of different sectors involved. Thailand is the second ASEAN country, after Singapore, to actively pursue FTAs and is catching up very quickly in a "competitive liberalization" policy (Chirathivat and Mallikamas (2004): 40).

In terms of politics related to Thailand's strategy, the Thai government began to look after the idea of having bilateral FTAs after the financial crisis. Only when the Thaksin government took charge that the Thai trade policy switched fully into bilateral FTAs (Nagai(2002): 10, Chirathivat and Mallikamas(2004): 42). From a timid beginning, Thailand has developed to become a strong advocate of bilateral FTAs. This strategy has also reflected his own preference to promote FTAs wherever he visits potential partners which usually end up with intent on negotiating FTAs. He conceded that negotiations on FTAs consume less time than multilateral trade talks under the WTO. As things stand, the Thaksin government put FTA strategy as top policy agenda and very often the negotiations with trading partners had not been done in a transparent way that the outcome often stirred up quite the debate about gainers and losers and also those who lobbied behind such the content of Thai FTA policy.

For the most part, the Thai government's motives for fulfilling FTAs seem to be in line with the ones of other governments in the region (Sally(2007)). It can be said that Thailand also followed with what had happened at the regional and global level. This implies that economic reasons are strong impetus to supporting ways for political agenda to be successful. Still, domestic political changes are still important factors that shape the content, process and direction of Thailand's FTA strategy. This evidence is also shown after the post-Thaksin era. The military-led government seems to getting busy with putting house in order so Thailand's FTA arrangements with different trading partners' main concerns are now in the domain of implementation process. The newly-elected government that took office since the beginning of 2008 seems to not mention at all about

such an FTA policy as they seem to be preoccupied with other matters related to their survival.

To conclude, policy objectives of Thailand's FTA seemed to be particularly geared toward keeping Thailand's standing in its key markets (Japan and the United States), strengthening trade ties with the emerging markets such as the PRC and India, and gaining entrance to new markets such as Australia, New Zealand, Bahrain and Peru. This is not to forget its ASEAN market stronghold that Thailand will continue to benefit and its dialogue partners as well.

Effects

To understand what effects that FTA commitments made to Thailand, there are ways to investigate the potential benefits and costs of Thailand's FTAs. On one hand, there are several research studies commissioned by the Thai government to look at gains from various FTAs. The findings of these studies in general seem to predict more gains rather than losses occurred from having such FTAs. On the other hand, a few years have now passed since Thailand implemented its FTA commitments with different trading partners so it would be useful to look at the issue of FTA utilization with different countries to see whether Thailand's utilization is up to firm expectations. As one knows, the issue of FTA implementation becomes real for those parties involved like the complex issue related to the rules of origin (ROOs) and the FTA management and coordination among government agencies and regulatory agencies.

The study by Mallikamas(2002) (Chirathivat and Mallikamas (2004): 44-46) finds the FTA impact on Thailand's trade as follows: It predicts significant increase for exports to India by 113.9 percent and China by 63.3 percent as a result of very high tariff rates and large domestic markets but a lessened increase for exports to Australia-New Zealand by 25.9 percent and to Japan and South Korea by around 20 percent. Imports to Thailand would also increase quite significantly. In addition, there are some degrees of trade creation and trade diversion which need to take into account as well.

While Thai exports to outside countries, like the USA and the EU, could be boosted by collective ASEAN plus one FTA through cost reductions and increased competitiveness, but the attention given to the China-ASEAN FTA for example could cause change in trade direction of Thailand's exports to the USA and the EU. But overall international trade would expand significantly as a result of an ASEAN-Japan FTA, and even more so with an ASEAN plus three. Of course, several studies like this one take liberalization as comprehensive in sector coverage and removal of tariff and non-tariff barriers. It makes clear that the rules of origin for example do not impede any kind of market access to trading partners. So, it leaves much for interpretations when it comes to real practice.

According to the information gained from the Department of International Trade, Ministry of Commerce, Thailand's utilization rates of selected FTAs are shown in Table 4. It is evident that the average rate of overall FTA utilization stands actually around one fifth of the total trade. As classified by value, ASEAN stands the highest with 7.9 billion US dollars in 2007, following by Australia with 4.0 billion US dollars, China with 1.8 billion US dollars, Japan with 0.6 billion US dollars and India with 0.4 billion US dollars. However, when categorized in utilization rates, Australia stands with the highest rate of 71 percent in 2007, followed by ASEAN with 24.2 percent, India with 15.0 percent, China with 11.9 percent and Japan with 3.6 percent.

In the case of Thailand-Australia FTA (TAFTA), Thai exports with application forms to Australia reach 44,886 in total in 2007, an increase of 27.7 percent (or an increase of 54.7 percent when expressed in the value of FTA exports to Australia). Major export items include vans and pick-up trucks, air conditioners, fishery products and jewelry. Thai imports from Australia under the TAFTA reach the value of 432.7 million US dollars or only 11.4 percent of Thailand's total imports from Australia. Major import items include minerals, aluminium, malts, silk, cereals. As for China-ASEAN FTA (CAFTA), Thai exports with application forms to China reach

42,081 in total in 2007, an increase of 25.6 percent (or an increase of 28.7 percent when expressed in the value of FTA exports to China). Major export items include cassava, rubber, petroleum products, poly-carbonate. As for Japan-Thailand EPA (JTEPA), major Thai export items under FTA include chicken, shrimp and frozen shrimp, modified tapioca starch, jute and polymer. Under India-Thailand FTA (ITFTA), there were 6,662 application forms submitted in 2007, an increase of 30.7 percent, with a value of 417.3 million US dollars, or an increase of 27.7 percent in the same year. The EHS items represent around 15 percent of Thailand's total exports to India and consist mainly color television and tubes, aluminium, polycarbonates, air conditioners.

In order to investigate further Thailand's form D utilization rates of AFTA, Table 5 provides us with details on the recent trends of individual ASEAN countries. It is interesting to see how much Indonesia is by far the country that Thailand's exports benefit the most among the ASEAN countries, both in terms of value and utilization rate. In 2007, this figure stands at around 2.6 billion US dollars or a share of 54.6 percent of Thailand's total exports to Indonesia. If judged by the total value of utilization, Malaysia and Vietnam would come next then followed by the Philippines.

These four ASEAN countries are the ones whom Thailand's exports under the CEPT are destined as well as the utilization rates are quite high as compared to the rest of ASEAN. Part of the explanation probably relies on how local and multinational firms exploit these facilities for the benefits of their regional and global production networks especially for sectors like automobile, components and parts, textiles, chemicals and petrochemicals, to cite a few of them.

Another dimension that needs to mention here is how exporters face not only administrative costs when compared to preferences margins received, but also other costs related to complying strict rules of origin. These could give as another reason why exporters from Thailand might not feel the needs to comply with application forms so they just continue to do their business even without such FTA preferences. There is also reason to believe that the low utilization

sometimes could be due to an already low MFN rates and low tariff FTA margins rather than the disinterest of complying with the rules of origin. Also, complications could involve in the practice and management of different rules of origin. For instance, regional accumulation rule of 40 percent local content requirement in AFTA is not so easy in some sectors when compared to other preferential margins so complications remain in practice and management which need to be dealt with accordingly. As shown in CAFTA, both sides still concern with the form E authorization and transshipping issues so they still continue to have an open dialogue how to solve the problems.

Lastly, as so far the benefits and costs of FTA implementation are concerns, there were numerous debates all along the recent years as trade liberalization could impact at least producers, consumers and government as often justified by any standard studies of trade creation and trade diversion of preferential treatment. Thailand has to face with such a complex issue as well as the country has started now to implement several regional and bilateral commitments. A recent study (FPRI (2008)) on sector impact and protection could help to illustrate on how this differential effect could mean for different sectors involved. Following Table 6, industries in both category A and category B seem to sustain well depending on each own industry adjustment when liberalization is taken place. Even the high ERP industries, like air conditioners, motor vehicles, parts and components, and electrical and electronic products could benefit from trade liberalization and similar import-competing products. Of course, lower ERP industries like fishery products, rubber products, household ceramics, jewelry and ornaments, all seem to be doing well to export to other markets. On the other hand, industries that figure in category C and category D seem to suffer from import-competing products as weighted average impact index (WAI) all shows a minus sign. Some of the industries with high ERP that have already been discussed much about their impact on producers include meat products, milk and milk products, leather and leather products, wood and wooden products, printing, textile and clothing.

4. Future Direction and Challenges

The current state of play making Thailand at present figured active in FTA agreements among emerging Asian economies. The country has free trade agreements in implementation with ASEAN, Australia, China (under ASEAN), India, New Zealand and most recently Japan. However, talks on further pacts have been slow down due to political situation at home leaving the present government to decide whether to proceed with negotiations with other trading partners. On the other hand, government agencies have become key actors during this time in dealing with trade liberalization with in the region. For the moment, it seems like any new country-by-country FTA would come about only if ASEAN were not interested in having one with that country or if the country had to proceed ahead of ASEAN because the government could not wait any longer for ASEAN to consider the matter.

Following the economic rationale, Thailand's trade and FDI performances have become increasingly linked to the global economy, and in particular with East Asia and to a certain extent with South Asia, particularly India. Trade increases in various products are quite competitive and respond well to growth with differences from raw materials, intermediate inputs to finished products. FDI with East Asia represent almost two third of the country's overall figure which also helps to strengthen its domestic industries with the regional and global production networks. With this rising trend, Thailand is well positioned to benefit from market-led integration.

As shown in Table 7, Thailand's export share by country has tremendously improved with the East Asian region, whether it is ASEAN plus three or ASEAN plus six, with a share changed from 37.3 percent and 39.0 percent in 1993 to 44.2 percent and 50.1 percent in 2007. Half of Thailand's export now is done with ASEAN (20.7 percent 2007) and plus six countries (29.5 percent in 2007), with Japan and China shared around 20 percent, equivalent to the one of ASEAN. As for Thailand's import share by country, it could be said from Table 8 that Thailand is even more dependent with the region with

a share increase for ASEAN plus three and ASEAN plus six to 53.6 percent and 58.0 percent in 2007. Thailand's import share with the ASEAN grouping stands around 18.0 percent while the same share with plus six countries stands much higher around 40.1 percent in 2007, with Japan taking already 20.3 percent (more important than ASEAN as a whole) and China taking another 11.6 percent. Table 9 and Table 10 contain export and import value and growth to substantiate the reading of previous tables. Essentially, since the turn of the century, export growth from plus six countries seem to grow a little faster than the one of ASEAN plus three and ASEAN plus six. Except for 2005, similar feature could be observed for import growth with the plus six countries since 2002 as well as for import growth with ASEAN plus three and ASEAN plus six.

In order to discuss the Asian "Noodle Bowl" and the case for an East Asian FTA with particular reference to Thailand, it is evident as shown from the abovementioned argument that there are strong arguments for achieving the East Asian de facto economic integration. However, numerous regional and bilateral commitments to FTAs for Thailand have already created new opportunities but also adjustment costs to all parties concerned. The main concern now is all about good implementation of different FTAs, both for producers and government agencies involved. Quite immediate agenda is related to discriminatory measures related to different sectors with different agreements as conflicts of interest might arise more with dispute settlement procedures that need to guarantee a smooth further implementation. In Thailand, any new FTA arrangement also needs to stipulate through Article 190 of the new Constitution of 2007 which means to present the whole substance in front of parliamentarians. There is more demand about how FTA policy is taking into account the national economic framework in terms of domestic policies, supporting institutions and priorities for reform. More to the future, any FTA which seems to have been little tackled on to national economic policy will have difficulties to pass through the process in parliament.

Given Thailand's interests in pursuing FTA agreements, it seems that any institution-led integration has to be mutually beneficial among member countries.

- ASEAN agreements seem to take precedence over bilateral FTA agreements in the future. Thailand is already committed to deep integration of ASEAN known now as the ASEAN Economic Community (AEC). Dialogue partners especially the ASEAN plus one process looks to play increasing role for Thailand's future FTA strategy.

- Bilateral FTA agreements including a number of major countries among the plus six countries like China, Japan, India, Australia and New Zealand, are in real phase of implementation. Recent experiences were shown from quite different schemes of utilization and complexities that might relate to it. So it seems all different agreements and their implementation will remain for instance as part of the Asian "Noodle Bowl".

- The ASEAN plus three process involves another three Northeast Asian countries in which Thailand is an active partner of the Chiang Mai Initiative and the development of the Asian Bond Market. Thailand is still exploring a possibility with other countries to establish an East Asian FTA (EAFTA), as agreed by their leaders since 2002.

- The latest creation of ASEAN plus six process since the East Asia Summit (EAS) decided to include the other 3 countries, namely India, Australia and New Zealand. Thailand is still seeing a creation of ASEAN plus six to explore possible frameworks for economic integration in East Asia, with the Track Two Study to focus on academic analysis and useful input from the business side, but also to take into account inputs from the Joint Study Group on EAFTA.

Table 1 Thailand's Tariff Structure (including *ad valorem* equivalents (AVEs)), 2003 and 2006

		Unit: Percent		
		2003	2006	Final bound ^a
1	Bound tariff lines (% of all tariff lines)	73.7	73.7	73.7
2	Simple average applied rate	13.0	11.0	27.0
	Agricultural products (HS01-24)	25.3	24.2	32.3
	Industrial products (HS25-97)	11.0	8.7	26.3
	WTO agricultural products	25.0	25.0	34.9
	WTO non-agricultural products	11.2	8.8	25.8
	Textiles and clothing	18.6	14.7	28.9
3	Tariff quotas (% of all tariff lines)	1.0	1.0	1.0
4	Domestic tariff "peaks" (% of all tariff lines) ^b	3.9	3.9	0.5
5	International tariff "peaks" (% of all tariff lines) ^c	30.3	25.2	65.4
6	Overall standard deviation of tariff rates	14.3	14.0	14.1
7	Coefficient of variation of tariff rates	1.1	1.3	0.5
8	Duty free tariff lines (% of all tariff lines)	4.1	18.5	2.2
9	Non- <i>ad valorem</i> tariffs (% of all tariff lines)	23.1	22.5	18.9
10	Non- <i>ad valorem</i> tariffs with no AVEs (% of all tariff lines)	20.3	19.9	18.8
11	Nuisance applied rates (% of all tariff lines) ^d	21.4	12.1	0.1

^a Implementation of the U.R. was achieved in 2005. Calculations on bound averaged are based on 4,059 bound tariff lines (representing 73.7% of total lines).

^b Domestic tariff peaks are defined as those exceeding three times the overall simple average applied rate.

^c International tariff peaks are defined as those exceeding 15%

^d Nuisance rates are those greater than zero, but less than or equal to 2%

Note: Calculations include AVEs for non-*ad valorem* rates provided by the authorities to the WTO, as available. In case of non-availability, the *ad valorem* part of alternate rates is taken into account. Calculations do not include in-quota rates.

Source: WTO calculations, based on data provided by the authorities of Thailand.

Table 2 Thailand's Free Trade Agreements (in force)

Agreement	Coverage	Applied Preferential Tariff
Regional FTAs		
AFTA (in force since 2002)	<ul style="list-style-type: none"> - All products, except for those in 10 tariff lines considered sensitive products - 80% of tariff lines covers - Tariff rates on remaining items will be reduced to zero in 2010 (except for sensitive products) 	<ul style="list-style-type: none"> - Zero (as from 2007) - Zero (as from 2010)
ASEAN-China FTA	<ul style="list-style-type: none"> - Early Harvest Program covering all vegetable and fruit products under HS Chapters 7 and 8 - Trade in Goods Agreement (in force on July 1, 2005) <ul style="list-style-type: none"> o 4,775 tariff lines (normal track) o 252 tariff lines (sensitive products) 	<ul style="list-style-type: none"> - Zero (as from October 2003) o Zero (by 2010, been reduced since July 1, 2005) o 20% in 2012 and 50% in 2018
Bilateral FTAs		
Thailand-Australia FTA	<ul style="list-style-type: none"> - 2,724 tariff lines - Remaining items 	<ul style="list-style-type: none"> - Zero (as from January 1, 2003) - Zero (by 2010)
Thailand-New Zealand FTA (in force on July 1, 2005)	<ul style="list-style-type: none"> - Most products - Sensitive items upon full implementations, approximately 50% of imports from New Zealand should be duty free 	<ul style="list-style-type: none"> - Zero (by 2010) - Zero (by 2010) - Zero (by 2015)
Thailand-India FTA	<ul style="list-style-type: none"> - Early Harvest Program covering 82 products - Remaining 6,000 products (except sensitive items) in the process of negotiations to conclude by October 2008 	<ul style="list-style-type: none"> - Zero (as from September 1, 2006, tariff reduction started on September 1, 2004) - Zero (by a date to be determined)
Japan-Thailand EPA	<ul style="list-style-type: none"> - Farm sector to benefits from market access to Japan - Tariff elimination/reduction 	<ul style="list-style-type: none"> - Divided into five distinctive groups for different products - These include hot rolled steel, other steel and steel products, automobile with engine exceeding 2,000 cc, auto parts for original equipment manufacturing
Thailand-Bahrain FTA	<ul style="list-style-type: none"> - 419 items - 207 items 	<ul style="list-style-type: none"> - Zero (as from January 1, 2005) - 3% (as from January 1, 2005)
Other		
Global System of Trade Preferences (GSP)	<ul style="list-style-type: none"> - 1,600 items to the 48 members of the ASTP Agreement (Thailand's commitment on 11 items) 	<ul style="list-style-type: none"> - Preferential margins of 2.5% to 100% of MFN rates (Thailand's commitment 10% cut)

Source: Adapted from the WTO (2007), *Trade Policy Review of Thailand*, The WTO Secretariat Report Table III. 3.

Table 3 Thailand's Potential FTA Trading Partners

	Value(Million USD)				Ratio(%)				Growth(%)		
	2005	2006	2007	2008 (Jan-May)	2005	2006	2007 (Jan-May)	2008 (Jan-May)	2006	2007	2008 (Jan-May)
Thai-World											
Total trade	229,113	258,493	292,488	112,243	143,584	100	100	100	12.8	13.2	27.9
Export	110,938	129,720	152,478	58,125	70,945	100	100	100	16.9	17.5	22.1
Import	118,175	128,772	140,011	54,118	72,640	100	100	100	9.0	8.7	34.2
Balance	-7,238	948	12,467	4,008	-1,695						
Thai-China											
Total trade	20,326	25,332	31,062	11,554	15,075	8.9	9.8	10.6	24.6	22.6	30.5
Export	9,168	11,728	14,837	5,370	6,920	8.3	9	9.7	27.9	26.5	28.9
Import	11,158	13,604	16,226	6,185	8,155	9.4	10.6	11.6	21.9	19.3	31.9
Balance	-1,991	-1,876	-1,389	-815	-1,236						
Thai-ASEAN											
Total trade	46,014	50,621	57,593	21,666	28,865	20.1	19.6	19.7	10.0	13.8	33.2
Export	24,390	27,022	32,522	11,939	15,923	22	20.8	21.3	22.4	20.4	33.4
Import	21,624	23,599	25,070	9,727	12,941	18.3	18.3	17.9	17.8	9.1	33.1
Balance	2,767	3,423	7,452	2,213	2,982					6.2	
Thai-Australia											
Total trade	6,428	7,760	9,526	3,682	4,626	2.8	3	3.3	20.7	22.8	25.6
Export	3,175	4,350	5,725	2,216	2,795	2.9	3.4	3.8	37	31.6	26.1
Import	3,253	3,410	3,801	1,466	1,831	2.8	2.6	2.7	4.8	11.4	24.9
Balance	-79	939	1,925	750	965						
Thai-New Zealand											
Total trade	774	847	1,028	370	590	0.3	0.3	0.4	9.4	21.4	59.2
Export	521	526	616	228	288	0.5	0.4	0.4	0.8	17.1	26.5
Import	253	321	412	142	301	0.2	0.2	0.3	27.0	28.5	111.6
Balance	268	205	203	86	-13						
Thai-India											
Total trade	2,806	3,428	4,731	1,770	2,439	1.2	1.3	1.6	22.2	38.0	37.8
Export	1,810	2,664	3,983	1,315	1,815	1.4	1.4	1.7	18.3	47.2	33.7
Import	1,276	1,618	2,066	787	1,124	1.1	1.3	1.5	26.8	27.7	42.9
Balance	254	192	598	196	191						
Thai-Japan											
Total trade	41,123	42,054	46,519	18,143	21,765	17.9	16.3	15.9	2.3	10.6	20.0
Export	15,090	16,386	18,119	7,196	8,120	13.6	12.6	11.9	8.6	10.6	12.8
Import	26,033	25,668	28,400	10,947	13,645	22	19.9	20.3	-1.4	10.6	24.6
Balance	-10,943	-9,282	-10,282	-3,751	-5,525						

Source: Ministry of Commerce.

Table 3 Thailand's Potential FTA Trading Partners (continued)

	Value(Million USD)				Ratio(%)				Growth(%)		
	2005	2006	2007	2008	2005	2006	2007	2008	2006	2007	2008
			(Jan-May)	(Jan-May)			(Jan-May)	(Jan-May)			(Jan-May)
Thai-World											
Total trade	229,113	258,493	292,488	143,584	100	100	100	100	12.8	13.2	27.9
Export	110,938	129,720	152,478	70,945	100	100	100	100	16.9	17.5	22.1
Import	118,175	128,772	140,011	72,640	100	100	100	100	9	8.7	34.2
Balance	- 7,238	948	12,467	- 1,695							
Thai-Peru											
Total trade	89	149	202	144	0.0	0.1	0.1	0.1	67.3	35.1	82.1
Export	45	58	115	31	0.0	0.0	0.1	0.1	29.1	100	242.4
Import	45	92	86	39	0.0	0.1	0.1	0.1	105.7	-5.8	-19
Balance	0	- 34	29	- 65							
Thai-USA											
Total trade	25,680	29,038	28,723	11,263	11.2	11.2	9.8	10.0	13.1	-1.1	13.9
Export	16,997	19,450	19,217	7,614	15.3	15.0	12.6	13.1	14.4	-1.2	7.3
Import	8,683	9,588	9,507	3,649	7.3	7.4	6.8	6.7	10.4	-0.8	27.7
Balance	8,314	9,862	9,710	3,965							
Thai-Bahrain											
Total trade	184	290	225	77	0.1	0.1	0.1	0.1	57.4	-22.2	-65.8
Export	66.37	78.65	96	35	0.1	0.1	0.1	0.1	18.5	22.3	33.5
Import	117.63	211.03	129.10	41.75	0.1	0.2	0.1	0.1	79.4	-38.8	38.1
Balance	- 51	- 132	- 33	- 11							
Thai-EFTA											
Total trade	2,221	2,621	3,348	1,319	1.0	1.0	1.1	1.2	18	27.7	57.2
Export	782	1,125	1,587	598	0.7	0.9	1.0	1.0	43.9	41	13.7
Import	1,439	1,495	1,761	721	1.2	1.2	1.3	1.3	3.9	17.8	93.3
Balance	- 657	- 370	- 174	- 713							
Thai-EU											
Total trade	25,903	29,249	33,272	13,297	11.3	11.3	11.4	11.8	12.9	13.8	17.8
Export	15,100	18,006	21,318	8,636	13.6	13.9	14.0	14.9	19.2	18.4	12.9
Import	10,803	11,243	11,955	4,661	9.1	8.7	8.5	8.6	4.1	6.3	27
Balance	4,297	6,764	9,363	3,975							

Source: Ministry of Commerce.

Table 4 Thailand's Utilization Rates of Selected FTAs Trading Partners

	Value: Million USD				Rate(%)			
	2005	2006	2007	2008(4m)	2005	2006	2007	2008(4m)
Grand Total	8,147.64	10,032.96	14,995.18	7,008.49	15.64	16.75	22.72	26.67
ASEAN	5,145.63	5,508.77	8,118.88	3,421.99	21.21	20.42	27.57	27.88
Brunei	2.64	6.81	9.10	2.74	46.63	8.24	10.68	8.78
Cambodia	0.20	0.42	0.36	0.05	0.02	0.03	0.03	0.01
Indonesia	1,816.99	1,686.97	2,594.24	1,239.12	45.71	50.96	58.85	60.23
Laos	21.68	23.20	29.39	13.06	2.81	2.29	2.47	2.22
Myanmar	1.41	3.06	9.35	6.82	0.20	0.41	1.04	1.62
Malaysia	1,269.60	1,362.71	1,849.79	800.52	21.83	20.63	25.93	28.41
Philippines	854.33	981.95	1,273.52	498.32	41.59	38.22	47.95	48.59
Singapore	203.52	209.47	509.76	102.61	2.66	2.51	6.15	3.48
Vietnam	975.28	1,234.19	1,843.37	758.74	41.31	40.20	54.35	44.83
Australia	2,121.62	2,745.73	4,066.69	1,540.51	66.89	63.15	68.47	71.82
China	613.68	1,450.35	1,769.37	608.16	6.70	12.38	13.17	11.01
Japan	-	-	641.51	1,309.43	-	-	3.83	20.66
India	266.71	328.11	398.73	128.40	62.05	70.50	88.23	n.a.

Note: Adapted from data obtained, Department of Foreign Trade, Ministry of Commerce.

Source: Department of Foreign Trade, Ministry of Commerce.

Table 5 Thailand's Form D Utilization Rates of AFTA

Unit: Percent

	Grand Total	ASEAN	Brunei	Cambodia	Indonesia	Laos	Myanmar	Malaysia	Philippines	Singapore	Vietnam	Australia	China	Japan	India
Total(Million USD)															
2008(4m)	7,008	3,422	2.7	0.1	1,239	13.1	6.8	801	498	103	759	1,541	608	1,309	128
2007	14,995	8,119	9.1	0.4	2,594	29.4	9.3	1,850	1,274	510	1,843	4,067	1,769	642	399
2006	10,033	5,509	6.8	0.4	1,687	23.2	3.1	1,363	982	209	1,234	2,746	1,450	-	328
2005	8,148	5,146	2.6	0.2	1,817	21.7	1.4	1,270	854	204	975	2,122	614	-	267
Agricultural products(HS 01-24)															
2008(4m)	17.66	10.39	9.65	22.24	5.93	40.62	7.49	13.00	14.83	19.04	10.36	5.83	39.24	42.27	0.13
2007	15.15	13.23	11.19	-	7.81	35.10	14.27	12.28	15.43	43.44	11.59	5.08	39.79	44.76	0.05
2006	14.56	12.11	10.76	39.02	11.48	34.21	8.46	10.78	14.90	8.94	12.35	5.80	43.74	-	0.02
2005	12.82	9.46	14.94	28.95	4.83	31.13	2.45	9.68	17.62	7.08	10.67	5.66	71.32	-	0.01
Industrial products (HS 25-97)															
2008(4m)	82.34	89.61	90.35	77.76	94.07	59.38	92.51	87.00	85.17	80.96	89.64	94.17	60.76	57.73	99.87
2007	84.85	86.77	88.81	100.00	92.19	64.90	85.73	87.72	84.57	56.56	88.41	94.92	60.21	55.24	99.95
2006	85.44	87.89	89.24	60.98	88.52	65.79	91.54	89.22	85.10	91.06	87.65	94.20	56.26	-	99.98
2005	87.18	90.54	85.06	71.05	95.17	68.87	97.55	90.32	82.38	92.92	89.33	94.34	28.68	-	99.99
Textiles/Garments (HS 50-67)															
2008(4m)	3.79	2.89	0.94	-	1.50	1.35	-	3.03	3.13	2.01	5.04	1.32	1.82	10.31	-
2007	2.94	3.70	3.81	2.05	1.68	0.74	1.08	3.42	3.51	6.80	6.16	1.49	0.88	10.10	-
2006	2.34	3.29	2.86	23.60	1.86	0.51	1.18	4.35	4.23	3.26	3.39	1.73	0.43	-	-
2005	2.36	3.05	3.34	36.88	1.64	0.15	3.33	5.19	4.24	2.18	2.07	1.62	0.21	-	-
Metal (HS 72-83)															
2008(4m)	6.42	6.99	1.12	-	7.84	-	-	7.05	3.83	1.10	8.61	4.16	0.21	8.78	23.84
2007	5.37	6.37	4.10	-	5.49	0.23	0.12	8.87	3.57	0.19	8.90	4.27	0.17	7.85	15.20
2006	5.65	6.54	2.14	5.40	5.93	-	1.86	9.67	2.67	1.54	8.02	5.71	0.11	-	14.67
2005	5.70	6.61	3.07	-	5.97	0.03	1.23	8.46	2.30	1.58	10.39	4.89	0.07	-	7.63
Electronics (HS 84-85)															
2008(4m)	13.50	19.74	69.58	77.76	18.98	2.62	17.33	19.82	13.54	38.14	22.63	12.25	0.78	1.38	45.98
2007	16.04	18.71	40.20	7.63	18.48	1.82	25.69	18.66	14.39	12.78	23.85	16.37	1.32	0.96	47.83
2006	18.18	19.18	46.00	13.18	16.70	1.47	68.75	20.31	11.62	50.37	22.10	20.77	0.23	-	59.25
2005	17.89	20.88	39.07	-	21.06	8.29	80.20	19.91	11.61	67.51	20.32	12.95	0.00	-	40.86
Transport/Equipment (HS 86-87)															
2008(4m)	27.72	31.23	0.86	-	42.37	4.53	-	34.13	39.50	0.37	9.56	56.74	-	0.02	-
2007	31.20	28.63	2.33	-	41.79	5.08	0.74	31.37	37.62	0.25	9.64	57.88	-	0.01	-
2006	28.47	26.61	1.10	-	36.64	0.59	-	25.52	37.26	0.59	10.77	50.62	-	-	-
2005	35.93	30.76	4.13	-	45.35	-	0.91	27.05	34.40	2.35	11.96	63.39	-	-	-
Other Industry															
2008(4m)	30.91	28.76	17.85	-	23.38	50.88	75.18	22.97	25.18	39.35	43.81	19.69	57.94	37.24	30.05
2007	29.30	29.36	38.37	90.32	24.76	57.02	58.09	25.41	25.48	36.53	39.86	14.92	57.84	36.31	36.91
2006	25.63	32.27	37.14	18.80	27.39	63.22	19.75	29.38	29.32	35.30	43.37	5.80	43.74	-	0.02
2005	25.28	29.24	35.46	34.17	21.15	60.40	11.87	29.72	29.83	19.30	44.58	11.48	28.39	-	51.50

Note: Adapted from data obtained, Department of Foreign Trade, Ministry of Commerce.*Source:* Department of Foreign Trade, Ministry of Commerce.

Table 6 Sectoral Impact and Protection

Effective Rate of Protection (ERP)	Weighted Average Impact Index (WAI)	
	Positive (≥ 0)	Negative (≤ 0)
	Category A (7 items)	Category C (5 items)
Not High (less than 10%)	fishery products, chemicals, rubber and rubber products, household ceramics, jewellery and ornaments, metallic products and machinery	minerals, medicine, silk and silk products, shoes and parts and metal
	Category B (11 items)	Category D (9 items)
High (higher than 10%)	beverages, sugar, cement, gas&charcoal, plastic products, glass, air condition, electrical ad electronic machinery, moto vehicles, parts and components and furniture	meat products, mild and milk products, fruit and vegetables, processed, leather and leather products, wood and wooden products, paper and paper products, printing, textile and clothing

Source: Adapted from a Research Study on FTA Impact and Adjustment Measurement by the Fiscal Policy Research Institute, Ministry of Finance (May 2008) (in Thai).

Table 7 Thailand's Export Share by Country

Country	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
ASEAN	17.64	19.94	21.73	21.65	21.83	18.16	18.59	19.36	19.33	19.91	20.60	22.01	21.98	20.84	20.67	22.45
Brunei Darussalam	0.10	0.11	0.11	0.13	0.12	0.09	0.07	0.06	0.06	0.06	0.05	0.06	0.06	0.06	0.06	0.07
Cambodia	0.48	0.57	0.59	0.65	0.54	0.55	0.61	0.50	0.72	0.76	0.86	0.75	0.83	0.96	0.89	1.26
Indonesia	0.54	0.98	1.43	1.73	2.15	1.81	1.66	1.95	2.10	2.46	2.83	3.33	3.59	2.55	3.13	3.64
Lao People's Dem. Rep.	0.47	0.64	0.63	0.65	0.66	0.69	0.70	0.55	0.63	0.58	0.57	0.60	0.70	0.78	0.86	1.07
Malaysia	2.80	2.43	2.75	3.62	4.33	3.27	3.63	4.07	4.19	4.16	4.84	5.50	5.25	5.10	5.11	5.23
Myanmar	0.41	0.53	0.62	0.57	0.71	0.64	0.68	0.73	0.55	0.48	0.55	0.63	0.64	0.58	0.63	0.76
Philippines	0.53	0.49	0.74	1.13	1.22	1.41	1.59	1.57	1.78	1.87	2.02	1.90	1.85	1.98	1.90	1.98
Singapore	12.00	13.63	14.03	12.12	11.16	8.62	8.68	8.71	8.07	8.15	7.31	7.28	6.93	6.44	6.26	5.45
Vietnam	0.31	0.56	0.83	1.04	0.94	1.09	0.98	1.22	1.23	1.39	1.58	1.95	2.13	2.37	1.84	3.00
Plus Six	21.39	22.39	23.17	24.13	22.26	20.64	22.00	23.94	24.67	25.18	27.10	27.12	28.61	28.89	29.46	29.26
Australia	1.38	1.42	1.38	1.51	1.63	1.80	2.25	2.35	2.09	2.41	2.70	2.56	2.86	3.35	3.75	3.94
China	1.45	2.05	2.91	3.36	3.04	3.24	3.18	4.07	4.41	5.22	7.11	7.37	8.26	9.04	9.73	9.75
India	0.20	0.42	0.51	0.44	0.51	0.52	0.60	0.72	0.74	0.61	0.80	0.95	1.38	1.40	1.75	1.85
Japan	16.95	17.07	16.79	16.83	15.15	13.71	14.13	14.70	15.26	14.60	14.19	13.98	13.60	12.63	11.88	11.45
New Zealand	0.17	0.16	0.16	0.18	0.17	0.22	0.28	0.27	0.28	0.30	0.33	0.34	0.47	0.41	0.40	0.41
Korea, South	1.24	1.26	1.42	1.82	1.76	1.15	1.56	1.83	1.89	2.05	1.98	1.93	2.04	2.06	1.95	1.86
ASEAN+3	37.28	40.32	42.85	43.66	41.78	36.26	37.46	39.96	40.89	41.78	43.88	45.29	45.88	44.57	44.23	45.51
ASEAN+6	39.02	42.33	44.90	45.78	44.09	38.80	40.59	43.30	44.00	45.09	47.70	49.13	50.59	49.72	50.14	51.70
World	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
(Billion USD)	37.33	45.43	56.73	55.94	58.33	54.49	58.46	69.62	65.18	68.16	80.04	96.5	110.94	129.72	152.48	70.94

Source: Ministry of Commerce.

Table 8 Thailand's Import Share by Country

Country	Unit: Percent															
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008 (Jan-May)
ASEAN	12.87	13.71	13.32	13.34	12.86	15.09	15.84	16.64	16.24	16.84	16.64	16.84	18.30	18.33	17.91	17.82
Brunei Darussalam	0.46	0.33	0.41	0.30	0.14	0.05	0.29	0.79	0.61	0.70	0.43	0.41	0.17	0.10	0.08	0.09
Cambodia	0.21	0.23	0.23	0.07	0.13	0.06	0.03	0.01	0.02	0.02	0.02	0.03	0.03	0.03	0.03	0.04
Indonesia	1.11	0.83	0.95	1.30	1.41	2.09	2.20	2.08	2.20	2.41	2.33	2.46	2.65	2.67	2.85	3.55
Lao People's Dem. Rep.	0.14	0.13	0.10	0.09	0.09	0.07	0.11	0.12	0.14	0.14	0.14	0.12	0.19	0.40	0.34	0.32
Malaysia	3.62	4.86	4.57	4.99	4.80	5.12	4.99	5.40	5.00	5.63	5.99	5.88	6.85	6.58	6.16	5.84
Myanmar	0.34	0.29	0.31	0.18	0.14	0.15	0.22	0.41	1.30	1.40	1.20	1.43	1.51	1.80	1.64	1.58
Philippines	0.39	0.65	0.82	0.80	0.87	1.45	1.62	1.77	1.82	1.67	1.78	1.64	1.59	1.64	1.53	1.37
Singapore	6.42	6.31	5.88	5.54	5.01	5.55	5.92	5.51	4.61	4.49	4.31	4.40	4.55	4.41	4.49	4.19
Vietnam	0.18	0.07	0.06	0.09	0.28	0.55	0.46	0.53	0.53	0.37	0.44	0.46	0.75	0.70	0.79	0.84
Plus Six	40.25	39.60	40.05	37.80	36.23	34.91	36.00	36.87	35.36	38.40	39.46	39.97	38.81	38.63	40.13	38.32
Australia	2.06	1.98	1.87	1.94	2.04	2.09	1.94	1.87	2.18	2.33	2.09	2.34	2.75	2.65	2.71	2.52
China	2.36	2.55	2.96	2.70	3.60	4.25	4.95	5.45	5.99	7.62	8.00	8.66	9.44	10.56	11.59	11.23
India	1.13	0.97	0.89	0.88	0.94	1.00	0.90	1.00	1.09	1.20	1.16	1.21	1.08	1.26	1.48	1.55
Japan	30.20	30.19	30.55	28.27	25.72	23.66	24.33	24.73	22.33	23.04	24.09	23.71	22.03	19.93	20.28	18.78
New Zealand	0.30	0.29	0.29	0.30	0.35	0.43	0.35	0.32	0.34	0.29	0.28	0.25	0.21	0.25	0.29	0.41
Korea, South	4.21	3.63	3.50	3.71	3.58	3.49	3.52	3.49	3.43	3.91	3.85	3.80	3.29	3.98	3.78	3.83
ASEAN+3	49.64	50.08	50.33	48.02	45.76	46.49	48.64	50.31	47.99	51.41	52.58	53.01	53.06	52.80	53.56	51.66
ASEAN+6	53.12	53.31	53.37	51.15	49.09	50.00	51.84	53.51	51.60	55.23	56.11	56.81	57.11	56.96	58.04	56.14
World	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
(Billion USD)	46.16	54.35	70.72	72.25	63.18	42.43	49.92	62.18	61.65	64.24	75.03	94.03	118.18	128.77	140.01	72.64

Source: Ministry of Commerce.

Table 9 Thailand's Exports by Country

Country	Unit	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008 (Jan-May)
ASEAN	Million USD	6,584	9,058	12,325	12,112	12,733	9,896	10,871	13,481	12,599	13,569	16,486	21,239	24,386	27,032	31,522	15,924
	Growth (%)	46.6	37.58	36.07	-1.73	5.13	-22.28	9.85	24.01	-6.54	7.7	21.5	28.83	14.82	10.85	16.61	31.4
Brunei Darussalam	Million USD	36	48	64	75	70	51	42	40	38	40	47	52	57	68	83	91
	Growth (%)	38.46	33.33	33.33	17.19	-4.67	-27.14	-17.65	-4.76	-5	5.26	19.3	35.71	19.3	22.06	9.64	50.34
Cambodia	Million USD	180	361	336	364	316	302	355	351	469	516	685	725	820	1,245	1,356	892
	Growth (%)	172.73	45	28.74	8.33	-13.19	-4.43	17.55	-1.13	33.62	10.02	32.66	3.16	5.84	26.9	35.33	89.2
Indonesia	Million USD	203	443	814	968	1,255	984	968	1,355	1,370	1,680	2,766	3,488	4,492	3,983	3,313	4,767
	Growth (%)	-28.52	118.23	83.75	18.92	29.65	-21.59	-1.63	39.8	1.11	22.63	34.88	44.92	23.85	-16.82	43.89	44.98
Lao People's Dem. Rep.	Million USD	176	293	356	365	385	375	411	385	413	398	435	583	775	1,017	1,312	760
	Growth (%)	44.26	66.48	21.5	2.53	5.48	-2.6	9.6	-6.53	7.27	-3.63	28.13	32.93	31.23	29.01	50.14	50.14
Malaysia	Million USD	1,044	1,104	1,562	2,024	2,524	1,780	2,124	2,832	2,733	2,835	3,872	5,312	5,822	6,614	7,791	3,711
	Growth (%)	23.55	5.75	41.49	29.38	24.7	-29.48	19.33	33.33	-3.5	3.73	36.38	37.19	9.6	13.6	17.8	19.28
Myanmar	Million USD	152	240	349	320	414	347	396	510	356	324	438	607	712	756	958	536
	Growth (%)	87.65	57.89	45.42	-8.31	29.38	-16.18	14.12	28.79	-30.2	-8.99	35.19	38.58	17.3	6.18	26.72	37.76
Philippines	Million USD	199	224	417	634	709	767	929	1,095	1,158	1,275	1,616	1,835	2,057	2,572	2,899	1,403
	Growth (%)	28.39	12.56	86.16	52.04	11.83	8.18	21.12	17.87	5.75	10.1	26.75	13.55	12.1	25.04	12.71	25.93
Singapore	Million USD	4,478	6,190	7,957	6,781	6,511	4,698	5,073	6,066	5,261	5,553	5,850	7,027	7,685	8,357	9,544	3,865
	Growth (%)	57.95	38.23	28.55	-14.78	-3.98	-27.85	7.98	19.37	-13.27	5.55	5.35	20.12	9.36	8.74	14.2	18.68
Vietnam	Million USD	116	255	470	581	549	592	573	847	801	948	1,262	1,877	2,364	3,075	2,804	2,126
	Growth (%)	50.65	119.83	84.31	23.62	-5.51	7.83	-3.21	47.82	-5.43	18.35	33.12	48.73	25.95	30.08	-8.81	51.25
Plus Six	Million USD	7,982	10,173	13,145	13,499	12,985	11,247	12,860	16,666	16,080	17,164	21,693	26,739	31,743	37,470	44,927	20,757
	Growth (%)	9.39	27.45	29.21	2.69	-3.81	-13.38	14.34	29.6	-3.52	6.74	26.39	20.66	21.27	18.04	19.9	17.92
Australia	Million USD	514	645	781	844	948	980	1,316	1,636	1,362	1,642	2,160	2,468	3,175	4,350	5,725	2,795
	Growth (%)	-2.47	25.49	21.09	8.07	12.32	3.38	34.29	24.32	-16.75	20.56	31.55	14.26	28.65	37.01	31.61	9.85
China	Million USD	541	933	1,649	1,877	1,775	1,767	1,861	2,836	2,873	3,555	5,689	7,113	9,168	11,728	14,836	6,920
	Growth (%)	39.43	72.46	76.74	13.83	-5.43	-0.45	5.32	52.39	1.3	23.74	60.03	25.03	28.89	27.92	26.5	28.71
India	Million USD	74	193	292	244	300	284	350	500	483	414	639	913	1,530	1,810	2,664	1,315
	Growth (%)	12.12	160.81	51.3	-16.44	22.95	-5.33	23.24	42.86	-3.4	-14.29	54.35	42.88	67.58	18.3	47.18	33.47
Japan	Million USD	6,327	7,756	9,525	9,417	8,837	7,469	8,261	10,232	9,945	9,950	11,356	13,492	15,090	16,386	18,119	8,120
	Growth (%)	10.81	22.59	22.81	-1.13	-6.16	-15.48	10.6	23.86	-2.8	0.05	14.31	18.81	11.84	8.59	10.58	11.51
New Zealand	Million USD	63	72	93	99	97	121	162	185	183	205	266	330	521	526	616	288
	Growth (%)	-11.27	14.29	29.17	6.45	-2.02	24.74	33.88	14.2	-1.08	12.02	29.76	24.06	57.88	0.96	17.11	26.05
Korea, South	Million USD	463	574	805	1,018	1,028	626	910	1,277	1,234	1,398	1,853	1,859	2,259	2,670	2,967	1,319
	Growth (%)	-13.46	23.97	40.24	26.46	0.98	-39.11	45.37	40.33	-3.37	13.23	17.44	21.52	18.19	11.12	11.23	11.23
ASEAN+3	Million USD	13,915	18,322	24,304	24,425	24,374	19,758	21,904	27,829	26,652	28,472	35,114	43,714	50,921	57,823	67,444	32,283
	Growth (%)	25.1	31.7	32.7	0.5	-0.2	-18.9	10.9	27.1	-4.87	6.8	23.3	24.2	16.5	13.6	16.6	24.3
ASEAN+6	Million USD	14,566	19,231	25,470	25,611	25,718	21,143	23,731	30,147	28,679	30,733	38,179	47,414	56,129	64,502	76,449	36,681
	Growth (%)	23.57	32.03	32.44	0.55	0.42	-17.79	12.24	27.04	-4.87	7.16	24.23	24.19	18.38	14.92	18.52	23.42
World	Million USD	37,325	45,430	56,725	55,941	58,329	54,490	58,463	69,624	65,183	68,156	80,040	96,503	110,938	129,720	152,478	70,944
	Growth (%)	14.46	21.71	24.86	-1.38	4.27	-6.58	7.29	19.09	-6.38	4.56	17.44	20.57	14.96	16.93	17.54	20.76

Source: Ministry of Commerce.

Table 10 Thailand's Imports by Country

Country	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008 (Jan-May)
ASEAN	5,941	7,450	9,422	9,641	8,128	6,402	7,907	10,346	10,011	10,816	12,489	15,833	21,623	23,599	25,069	27,838
	Growth (%)	25.4	26.47	2.32	-15.69	-21.24	23.51	30.85	-3.24	8.04	15.47	26.78	36.57	9.14	6.23	12.942
Brunei Darussalam	214	182	288	215	87	22	147	492	374	449	321	388	204	128	111	63
	Growth (%)	-1.83	-14.95	58.24	-25.35	-59.53	-74.71	568.18	-23.98	20.05	-28.51	20.87	-47.42	-37.25	-13.28	13.17
Cambodia	96	126	160	48	79	24	15	8	12	11	12	27	31	35	48	31
	Growth (%)	3.23	31.25	26.98	-70	64.58	-69.62	-37.5	-46.67	-8.33	9.09	125	14.81	12.9	37.14	122.94
Indonesia	512	451	672	938	889	885	1,096	1,292	1,358	1,547	1,752	2,311	3,131	3,435	3,985	2,576
	Growth (%)	76.55	-11.91	49	39.58	-5.22	-0.45	23.84	17.88	13.92	13.25	31.91	35.48	9.71	16.01	75.6
Lao People's Dem. Rep.	63	69	70	68	60	31	56	76	89	93	103	114	224	516	470	234
	Growth (%)	53.66	9.32	-2.86	-11.76	-48.33	80.65	35.71	17.11	4.49	10.75	10.68	96.49	130.36	8.91	67.38
Malaysia	1,672	2,643	3,231	3,602	3,033	2,173	2,489	3,359	3,081	3,618	4,494	5,528	8,097	8,477	8,818	4,244
	Growth (%)	5.03	58.07	22.25	11.48	-15.8	-28.35	34.95	-8.28	17.43	24.21	23.01	46.47	4.69	1.66	27.86
Myanmar	155	156	221	130	86	64	112	258	803	902	901	1,347	1,787	2,321	2,301	1,149
	Growth (%)	10.71	0.65	41.67	-41.18	-33.85	-25.58	75	130.36	211.24	12.33	-0.11	49.5	32.67	29.88	-0.86
Philippines	180	353	579	575	552	617	811	1,101	1,124	1,071	1,338	1,541	1,881	2,114	2,142	996
	Growth (%)	48.76	96.11	64.02	-0.69	-4	11.78	31.44	2.09	-4.72	24.93	15.17	22.06	12.39	1.32	14.6
Singapore	2,964	3,431	4,158	3,999	3,164	2,354	2,953	3,428	2,844	2,886	3,235	4,140	5,378	5,677	6,282	3,042
	Growth (%)	-0.03	15.76	21.19	-3.82	-20.88	-25.6	16.09	-17.04	1.48	12.09	27.98	29.9	5.56	10.66	22.88
Vietnam	85	39	43	66	178	232	228	332	326	239	333	437	890	896	1,112	607
	Growth (%)	6.25	-54.12	10.26	52.49	169.7	30.34	-1.72	-1.81	-26.69	39.33	31.23	103.66	0.67	24.11	48.21
Plus Six	18,582	21,523	28,323	27,312	22,890	14,814	17,968	22,925	21,800	24,665	29,612	37,585	45,861	49,747	56,190	27,838
	Growth (%)	14.24	15.83	31.59	-3.57	-16.19	35.28	21.29	-4.91	13.14	20.06	26.92	22.02	8.47	12.95	26.15
Australia	950	1,076	1,319	1,400	1,292	887	969	1,164	1,344	1,494	1,568	2,197	3,253	3,410	3,800	1,831
	Growth (%)	4.28	13.26	22.58	6.14	-7.71	-31.35	9.24	15.46	11.16	4.95	40.11	48.07	4.83	11.44	4.15
China	1,089	1,385	2,094	1,951	2,272	1,802	2,472	3,390	3,696	4,898	6,002	8,144	11,158	13,604	16,226	8,155
	Growth (%)	-10.52	27.18	51.19	-6.83	16.45	-20.69	37.18	9.03	32.52	22.54	35.69	37.01	21.92	19.27	31.85
India	521	527	628	639	597	424	450	623	671	771	870	1,136	1,276	1,618	2,066	1,124
	Growth (%)	55.99	1.15	19.17	1.75	-6.57	-28.98	6.13	38.44	7.7	14.9	30.57	12.32	26.8	27.69	42.85
Japan	17,208	16,405	20,424	16,247	10,341	12,145	15,378	15,378	13,765	14,804	18,074	22,294	26,033	25,668	28,400	13,645
	Growth (%)	17.28	-4.79	31.7	-5.47	-20.45	-38.2	20.95	-10.49	7.55	22.09	23.35	16.77	-1.4	10.64	24.63
New Zealand	139	156	204	218	219	181	177	193	209	188	209	237	253	321	412	301
	Growth (%)	1.46	12.23	30.77	6.86	0.46	-17.35	-2.21	11.3	-10.05	11.17	13.4	6.75	26.88	28.35	111.41
Korea, South	1,944	1,974	2,472	2,680	2,263	1,479	1,755	2,173	2,115	2,510	2,889	3,577	3,888	5,126	5,286	2,782
	Growth (%)	9.09	1.54	25.23	8.41	-15.56	-34.64	18.66	23.82	16.08	15.1	23.81	8.69	31.84	3.12	23.82
ASEAN+3	22,913	27,214	35,594	34,696	28,910	19,724	24,279	31,287	29,587	33,028	49,484	62,702	67,997	76,997	74,981	37,524
	Growth (%)	14.1	18.77	30.79	-2.52	-16.68	-31.77	23.09	28.86	11.63	19.46	26.34	25.79	8.46	10.27	-49.96
ASEAN+6	24,523	28,973	37,745	36,953	31,018	21,216	25,875	33,271	31,811	35,481	53,418	67,484	73,346	81,400	81,259	40,780
	Growth (%)	12.46	18.15	30.28	-2.1	-16.06	-31.6	21.96	28.58	11.54	26.88	26.33	8.69	10.79	28.25	72.640
World	46,163	54,346	70,718	72,248	63,181	42,434	49,915	62,180	61,653	64,240	75,034	94,034	118,175	128,772	140,011	72,640
	Growth (%)	13.66	17.73	30.13	2.16	-12.55	-32.84	17.63	-0.85	4.2	16.8	25.32	25.67	8.97	8.73	34.21

Source: Ministry of Commerce.

- Notes:* (1) Over the past few years, negotiators have edged closer on a range of technical issues, mainly in agriculture, but differences between rich and poor countries remain wide, particularly in industrial goods, and the services talks have not moved for nearly three years. Full detail on agriculture: www.wto.org/english/tradop_e/agric_e/chair_text-s08_e.htm ; on industrial goods: www.wto.org/english/tradeop_e/markacc_e/markacc_chair_texta07_e.htm.
- (2) This Paper will not discuss theoretical implications from a Vinerian approach down to a more recent and numerous literature (Riezman (1984), Sally (2007), FPRI (2008), Freund (2000)).

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Appendix

Part A.1 Tariffs and imports: Summary and duty ranges

Summary		Total	Ag	Non-Ag	WTO member since		1995	
Simple average final bound		28.2	40.7	25.5	Binding coverage:	Total	74.7	
Simple average MFN applied	2006	10.0	22.1	8.2		Non-Ag	70.9	
Trade weighted average	2005	4.8	12.7	4.5	Ag: Tariff quotas (in %)		4.6	
Imports in billion US\$	2005	108.0	3.9	104.2	Ag: Special safeguards (in %)		7.8	

Frequency distribution		Duty-free	0 <= 5	5 <= 10	10 <= 15	15 <= 25	25 <= 50	50 <= 100	> 100	NAV
		Tariff lines and import values (in %)								in %
Agricultural products										
Final bound		1.5	1.0	3.8	2.0	1.7	72.4	12.9	4.4	44.3
MFN applied	2006	3.7	19.7	11.4	5.2	9.3	46.9	2.9	0.7	51.5
Imports	2005	16.3	22.5	30.5	3.6	6.3	18.2	2.2	0.3	39.4
Non-agricultural products										
Final bound		3.0	2.4	1.2	2.2	13.2	48.3	0.4	0.0	14.8
MFN applied	2006	20.6	42.9	18.3	1.2	6.7	9.8	0.3	0.1	17.4
Imports	2005	48.8	24.1	19.8	1.8	1.3	3.9	0.3	0.0	10.1

Part A.2 Tariffs and imports by product groups

Product groups	Final bound duties				MFN applied duties			Imports	
	AVG	Duty-free in %	Max	Binding in %	AVG	Duty-free in %	Max	Share in %	Duty-free in %
Animal products	30.7	11.3	50	100	28.1	13.8	50	0.0	30.0
Dairy products	33.0	0	216	100	15.8	0	30	0.2	0
Fruit, vegetables, plants	55.8	0	281	100	27.6	1.1	123	0.3	1.0
Coffee, tea	55.5	0	90	100	23.1	0	40	0.1	0
Cereals & preparations	32.6	0	73	100	19.4	0.6	62	0.6	0.1
Oilseeds, fats & oils	38.1	0	146	100	19.1	0	40	1.1	0
Sugars and confectionery	47.8	0	94	100	32.3	0	65	0.0	0
Beverages & tobacco	57.0	2.5	333	100	34.2	2.2	283	0.2	0.0
Cotton	4.5	0	5	100	0.0	100.0	0	0.6	100.0
Other agricultural products	28.1	0	226	100	10.3	3.2	30	0.4	0.3
Fish & fish products	13.9	0	209	93.5	14.5	0	154	1.3	0
Minerals & metals	24.9	0.1	89	50.5	5.9	28.9	30	21.3	38.9
Petroleum	-	-	-	0	9.4	24.0	20	17.3	90.9
Chemicals	29.7	0.2	59	57.6	3.8	43.4	30	9.9	28.5
Wood, paper, etc.	24.4	0	72	85.1	6.8	23.4	138	1.9	31.6
Textiles	28.4	0	41	93.3	8.1	0	30	2.1	0
Clothing	30.0	0	30	99.6	24.5	0	60	0.2	0
Leather, footwear, etc.	29.4	0	36	58.9	12.7	9.7	30	1.1	16.8
Non-electrical machinery	20.2	7.1	30	89.1	4.7	15.5	30	13.9	40.0
Electrical machinery	18.7	32.4	34	73.2	8.3	23.2	30	18.5	63.2
Transport equipment	48.3	0	80	24.6	20.7	5.7	80	4.6	0.3
Manufactures, n.e.s.	25.1	11.8	34	73.8	11.0	14.2	141	4.4	48.7

Part B Exports to major trading partners and duties faced

Major markets	Bilateral imports		Diversification		MFN AVG of traded TL		Prof. margin	Duty-free imports	
	in million US\$		95% trade in no. of HS 2-digit HS 6-digit		Simple	Weighted	Weighted	TL in %	Value in %
United States	2005	15,552	64	447	5.2	4.0	0.8	63.6	71.6
European Communities	2005	15,349	74	702	6.9	5.0	1.9	50.9	65.2
Japan	2005	14,830	70	559	8.9	6.0	0.6	55.4	80.7
China	2005	13,990	47	272	9.7	5.7	0.4	13.4	56.4
Singapore	2005	7,480	65	429	0.0	0.0	0.0	99.9	100.0
Hong Kong, China	2005	6,047	54	326	0.0	0.0	0.0	100.0	100.0

Source: World Tariff Profiles 2006, WTO.