



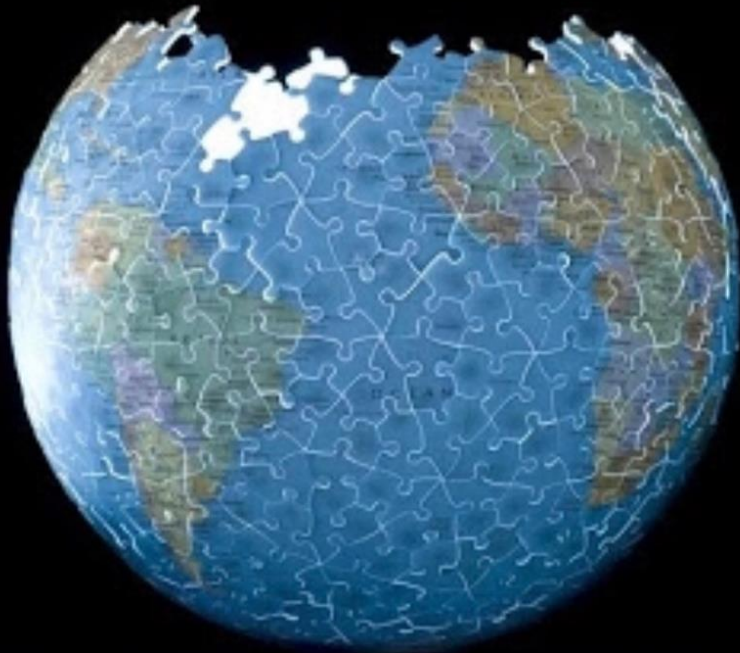
ศูนย์อาเซียนศึกษา
ASEAN STUDIES CENTER
Chulalongkorn University

Socioeconomic Situation in ASEAN and Thailand

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The End of American World Order



Amitav Acharya

Multiplex World

A world without a hegemon, culturally and politically diverse yet interconnected, whose main players – both the makers and breakers of order – are not just states but also international and regional bodies, non-state groups, corporations, and people's movements and networks.

Armitav Archaya, 2012/2013

Key factors underpin the demise of the US-led liberal hegemonic world order

- **The Rise of Other Powers:** China, India, Emerging power, Developing Countries, Global South
- **The Rise of the New Threats** (Transnational in nature and No nation): more complex challenging e.g. Terrorism, Ethnic Conflicts, Conflicts induced by Climate Change,

Global Value Chains: GVCs



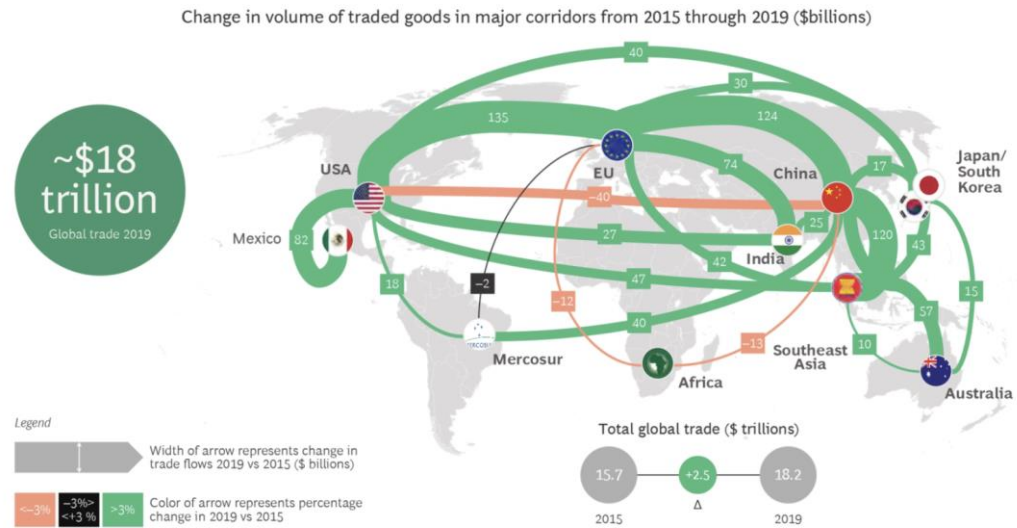
GVCs can continue to **Boost Growth, Create Better Jobs, and Reduce Poverty** provided that developing countries implement deeper reforms to promote GVC participation, industrial countries pursue open, predictable policies, and all countries revive multilateral cooperation.

Participation in global value chains (GVCs), the international fragmentation of production, can lead to increased job creation and economic growth. The World Bank Group is helping developing countries catch the GVC wave and realize the benefits GVCs can deliver.

(The World Bank, **World Development Report 2020**)

2015-2019

Exhibit 1 - Global Trade Generally Enjoyed Booming Growth in 2015-2019

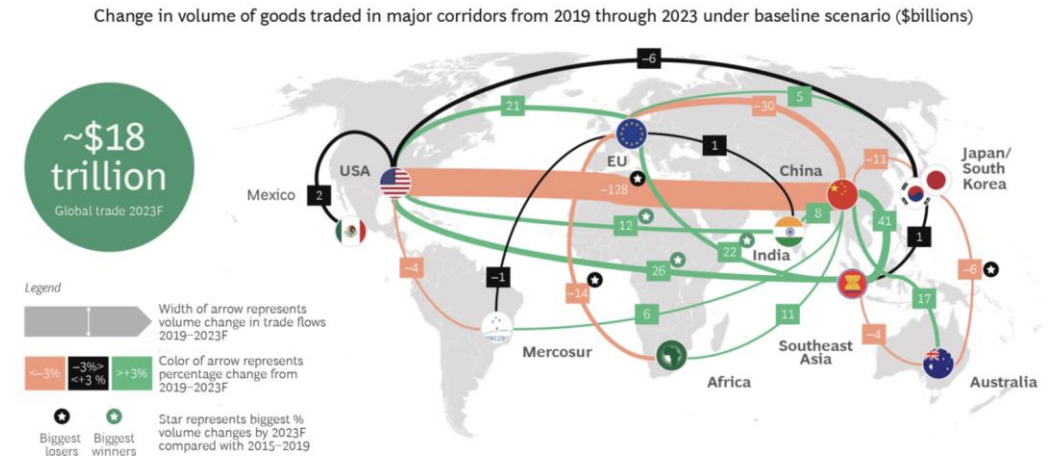


Source: UN Contrade; OECD; World Economic Forum; IHS; TradeAlert; BCG analysis.

Note: Corridors represent ~30% of global trade. Not included are: intra EU = -20%; intra NAFTA = -8%; China (including Hong Kong) = 4%; intra Southeast Asia = 3%; rest of world = -35%.

2021-2023

Exhibit 2 - Even If Trade Recovers by 2023, Expect Flows Between Blocs to Shift Dramatically

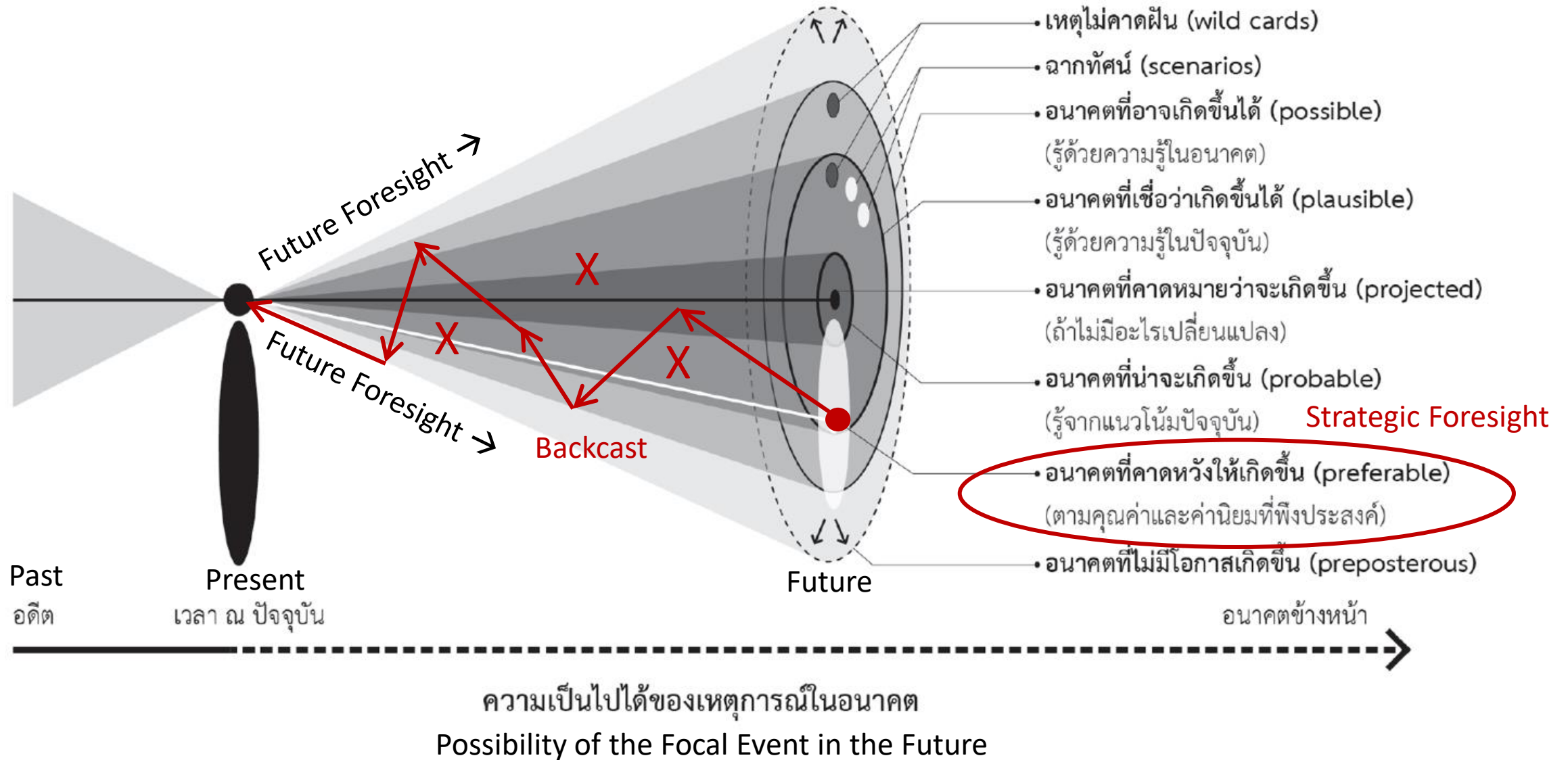


Source: BCG Trade Finance Model 2020; UN Contrade; OECD; World Economic Forum; IHS; TradeAlert; BCG analysis.

Note: Baseline scenario assumes a U-shaped global economic recovery by 2023. Corridors in the map above represent ~32% of global trade. Intra EU = -20%; intra NAFTA = -8%; China (including Hong Kong) = 4%; intra Southeast Asia = 3%, rest of world = -32%.

Aylor, DeFauw, Gilbert, Knizek, Lang, Koch-Weser, and McAdoo (2020A) Redrawing the Map of Global Trade. Boston Consulting Group. July 20, 2020.

<https://www.bcg.com/publications/2020/redrawing-the-map-of-global-trade>



Dynamic Disruptions

Disruptive Technology

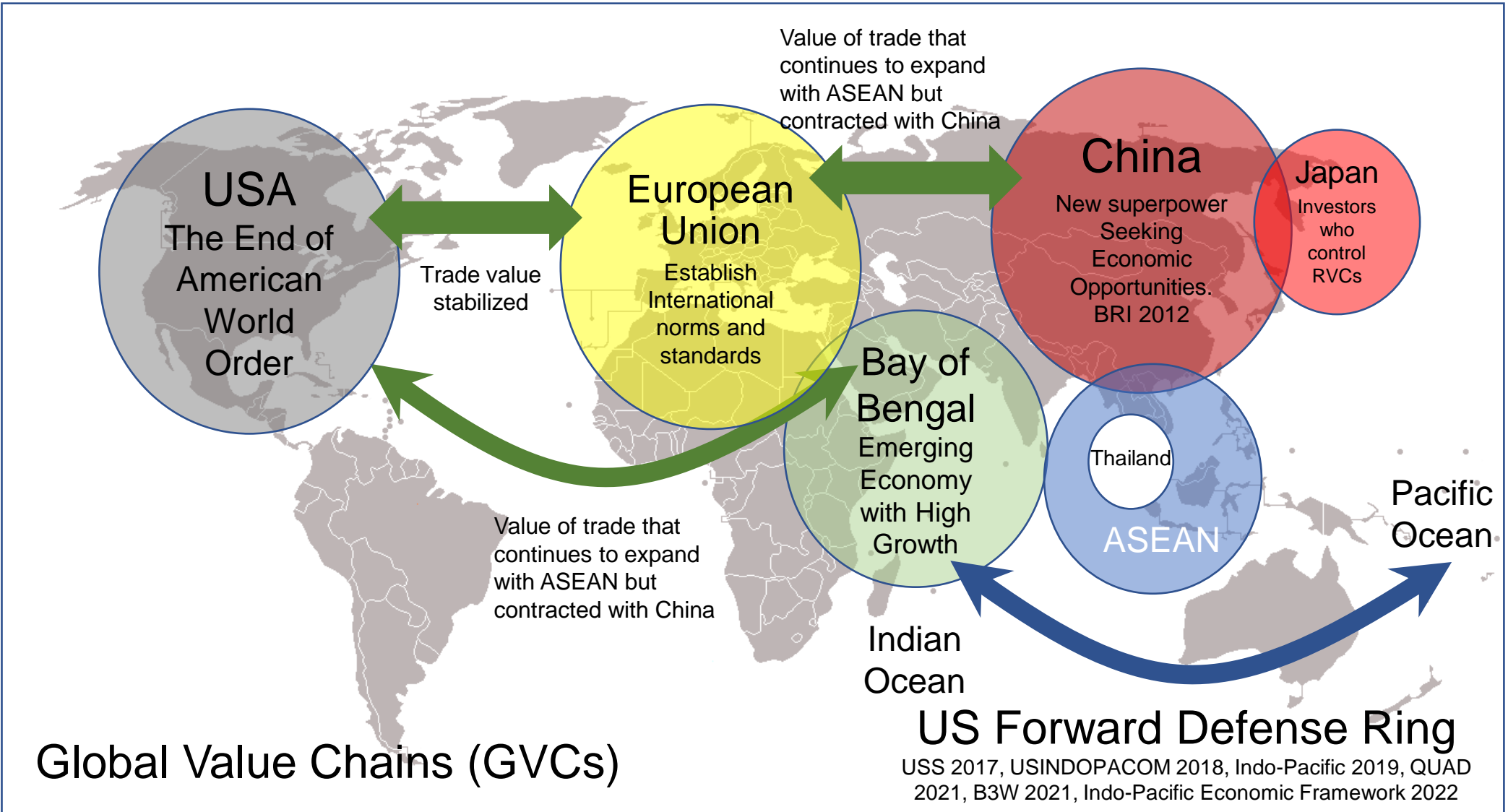
Logistics

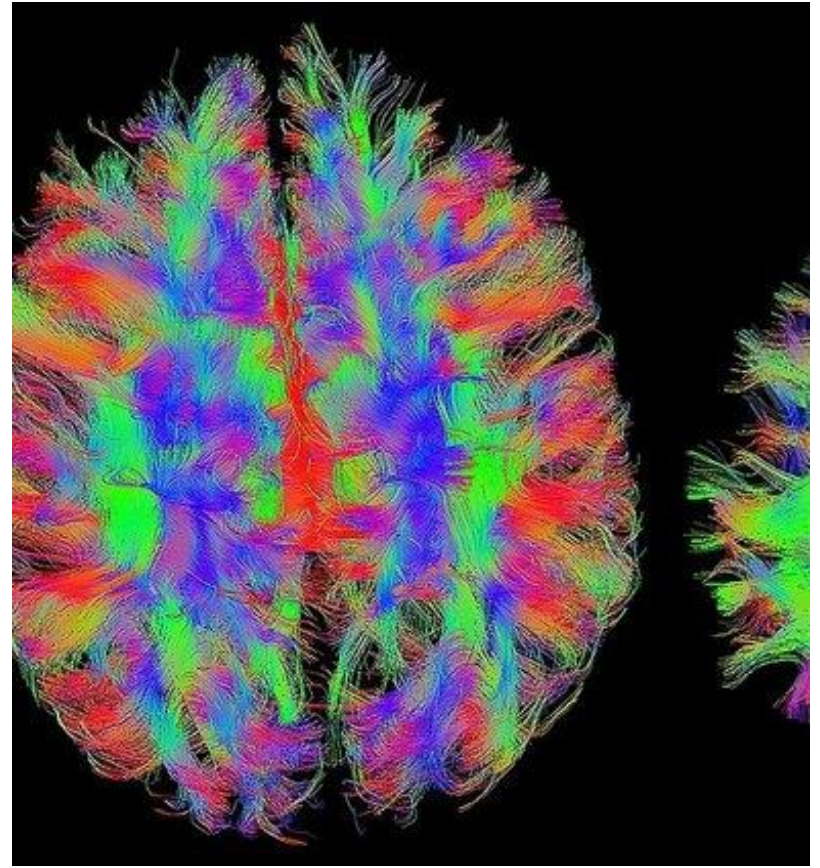
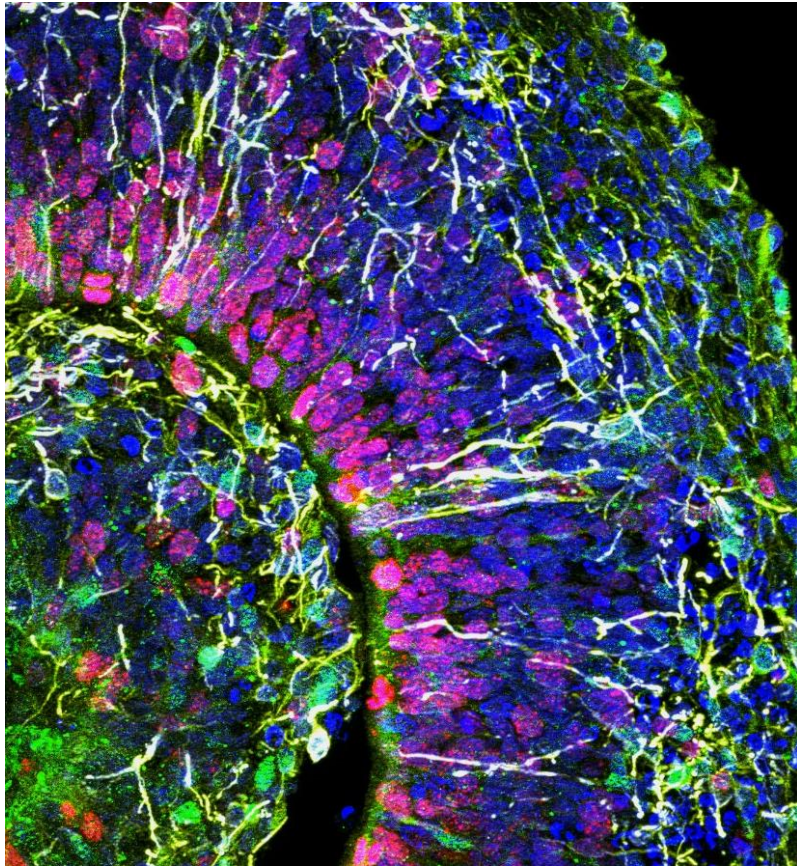
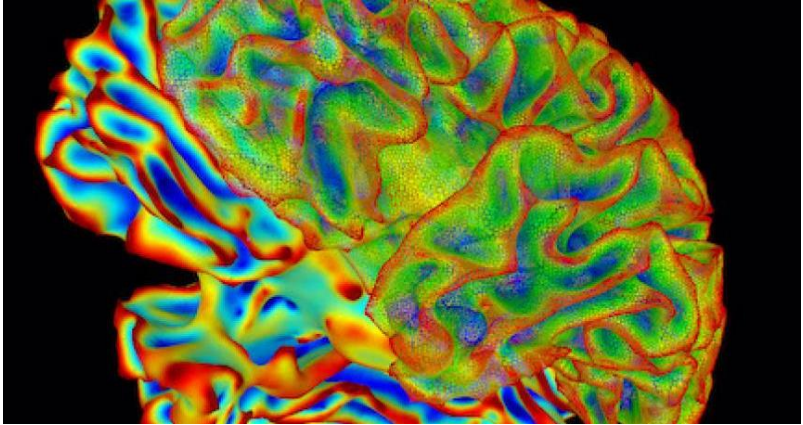
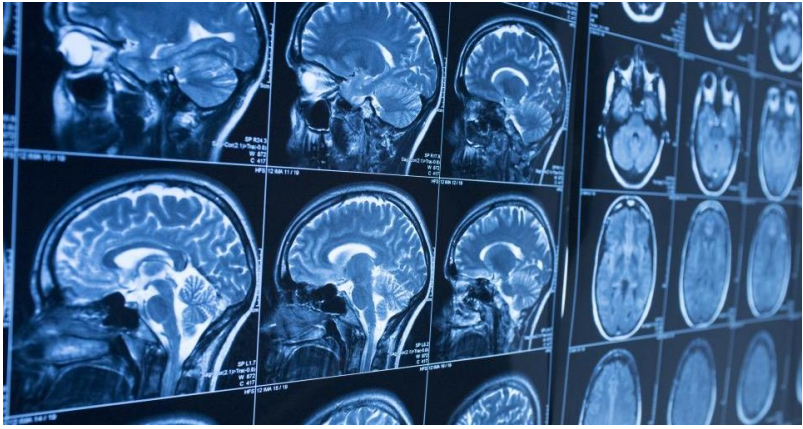
Global Value Chains (GVCs)

New Normal Unilateralism

Socio-Economic

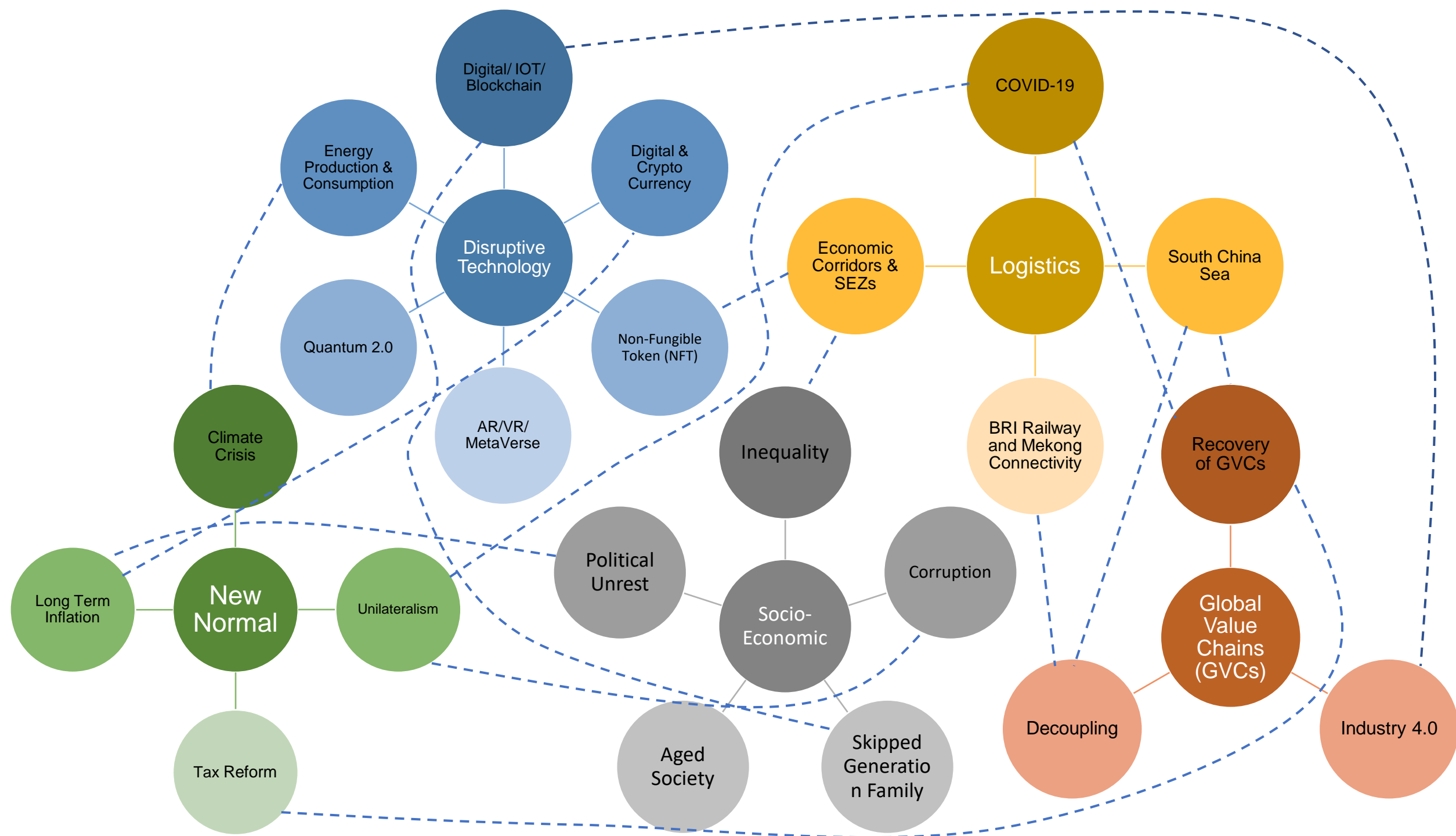
Changing in World Order





Neural Network

→ Non-Linear Dynamic System

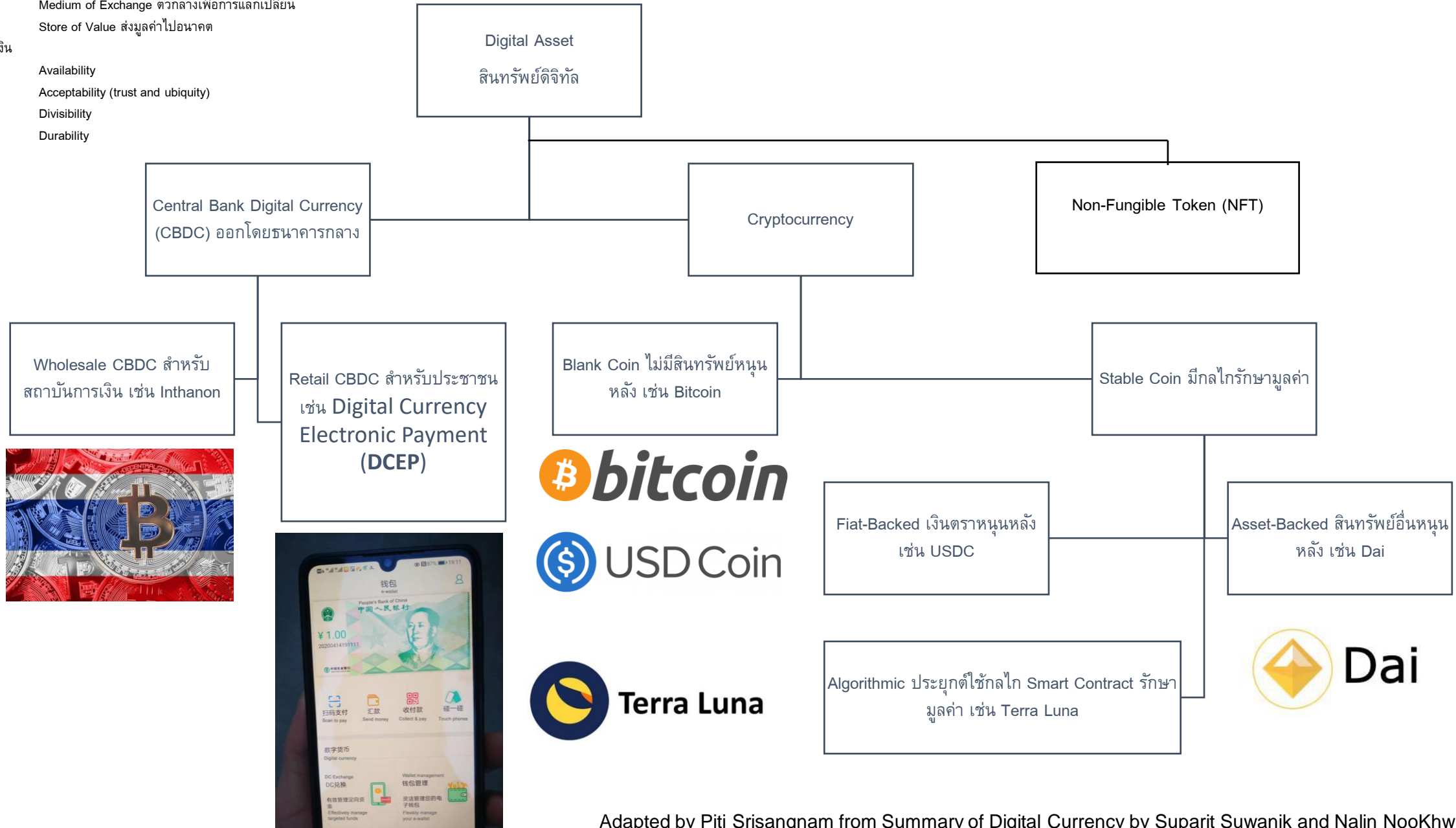







หน้าที่ของเงิน

- 1. Unit of Account วัดมูลค่า
- 2. Medium of Exchange ตัวกลางเพื่อการแลกเปลี่ยน
- 3. Store of Value ส่งมูลค่าไปอนาคต

คุณลักษณะของเงิน

- 1. Availability
- 2. Acceptability (trust and ubiquity)
- 3. Divisibility
- 4. Durability



Aspect	Index	Thailand	World	Remark
Disruptive Technology	Digital Network Readiness Index	54 	130	NRI indicate performances in 4 different pillars: Technology (Access, Content, Future Technology), People (Individuals, Businesses, Governments), Governance (Trust, Regulation, Inclusion), and Impact (Economy, Quality of Life, SDG). Thailand main strength relates to Technology. The greatest scope for improvement, meanwhile, concerns People.
Logistics	Logistic Performance Index	32 	160	6 dimesions 3.41/5.0 (Efficiency of the clearance process 3.14, Quality of logistic infrastructure 3.14, Ease of arranging shipments 3.46, Quality of logistics services 3.41, Track and trace3.47, Timeliness of shipments 3.81)
Global Value Chains (GVCs)	Ease of Doing Business	21 	190	The Ease of doing business index ranks countries against each other based on how the regulatory environment is conducive to business operation stronger protections of property rights. Economies with a high rank (1 to 20) have simpler and more friendly regulations for businesses.
New Normal	Government Efficiency Ranking	23 	180	Percentile Rank in Thailand was reported at 63.46 % in 2020. Government Effectiveness captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.
Socio-Economic	Social Progress Index	79 (3rd Tier) 	163 (6 tiers)	The SPI for Thailand has improved over the last decade, with its score rising from 68.65 to 70.72. The country also fared well against global scores on most issues except opportunity. It is designed to capture how well the primary issues of society are catered for and includes health, safety, shelter, education, rights, and freedom.

RCEP = Opportunity

- Strengthen the Regional Value Chains (RVCs) to support the recovery of Global Value Chains (GVCs).
- Create opportunities for ASEAN and Dialogue Partners to be part of the GVCs.
- A good starting point for preparing member countries for other more complicated trade negotiations.

FTA 2.0

Comprehensive and High Standard

Regional/Bilateral Trading Arrangements that focus on negotiations on more comprehensive issues rather than just reducing taxes. Rules and Regulations, MRAs, Standards and Conformances as well as the ratifications and commitment to the Declaration on TRIPS, Public Health, Human Security and Labour-related issues.

Regional Comprehensive Economic Partnership (RCEP)

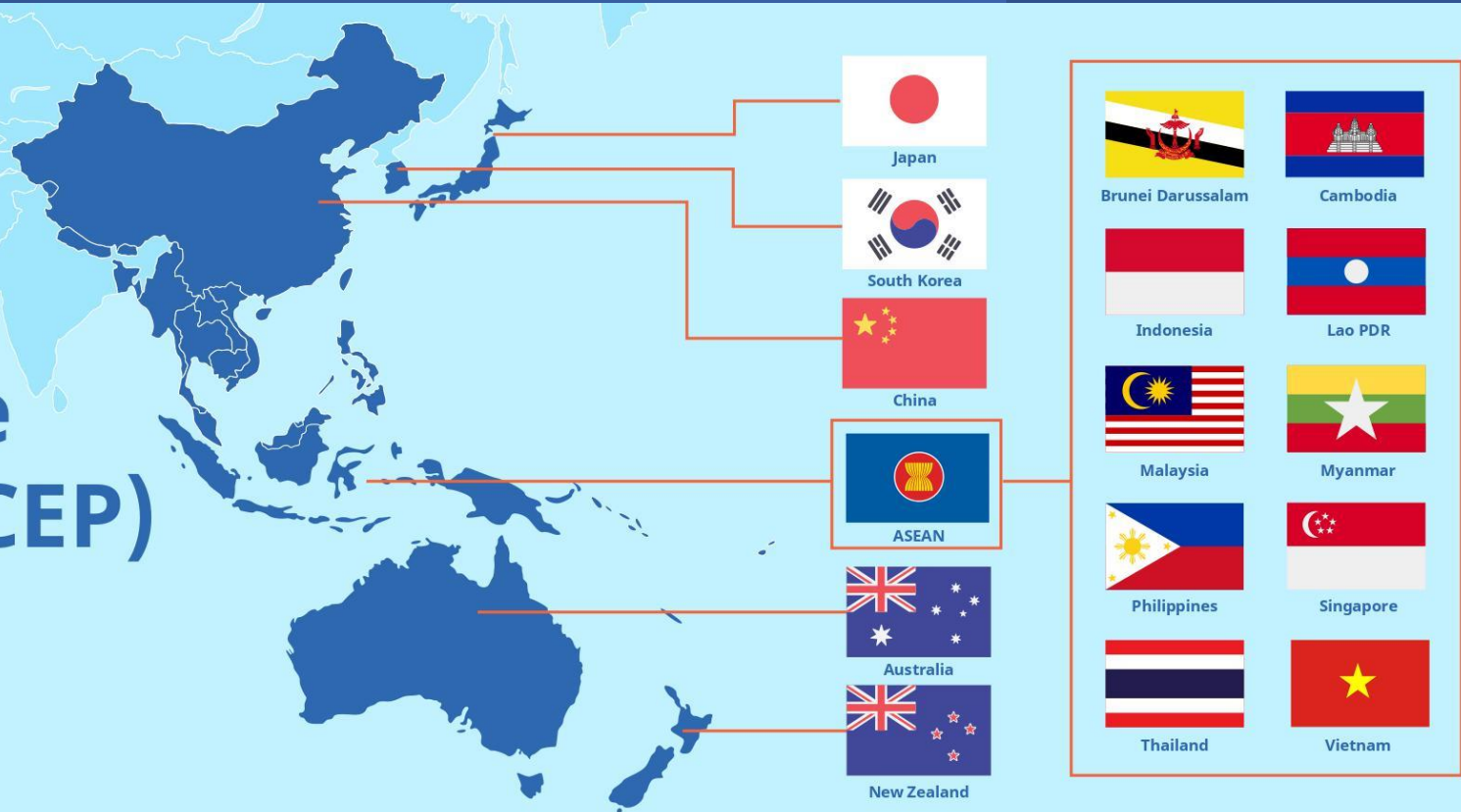
2005 1st ASEAN+6 Summit

2006 Comprehensive Economic
Partnership for East Asia
(CEPEA) was proposed by Japan

4 November 2019 Conclusion

- “We noted 15 RCEP Participating Countries have concluded text-based negotiations for all 20 chapters and essentially all their market access issues; and tasked legal scrubbing by them to commence for signing in 2020.”
- “India has significant outstanding issues, which remain unresolved. All RCEP Participating Countries will work together to resolve these outstanding issues in a mutually satisfactory way. India’s final decision will depend on satisfactory resolution of these issues.”
- “สมาชิกอาร์เซ็ป 15 ประเทศ สามารถปิดการเจรจาจัดทำความตกลงอาร์เซ็ปทั้ง 20 บท และการเจรจาเปิดตลาดในส่วนที่สำคัญทุกประเด็นได้แล้ว และมอบให้คณะเจรจาไปเริ่มขัดเกลาถ้อยคำทางกฎหมายเพื่อลงนามความตกลงอาร์เซ็ปในปี 2563 โดยในส่วนของอินเดียยังมีประเด็นคงค้างที่จะต้องเจรจาต่อ ซึ่งสมาชิกอาร์เซ็ปจะทำงานร่วมกัน เพื่อหาข้อยุติในประเด็นคงค้างของอินเดียต่อไป”

Regional Comprehensive Partnership (RCEP) Agreement



Signing of the agreement



World's largest free trade agreement



Comprising 30% of global GDP and about 1/3 world population



35th ASEAN
SUMMIT
and Related Summits

3rd RCEP Summit

4 November 2019, Bangkok / Nonthaburi, Thailand



India has significant outstanding issues, which remain unresolved

- Base Year
- Auto-Trigger Safeguard
- Ratchet Obligations
- Data Localisation
- Trade Deficit
- Milk and Dairy Products
- Automotive Industry
- Textile and Apparels
- Iron, Steel and Products
- Intervention by superpower

20 Chapters of RCEP

1. Initial Provisions and General Definitions;
2. Trade in Goods;
3. Rules of Origin, including Annex on Product Specific Rules;
4. Customs Procedures and Trade Facilitation;
5. Sanitary and Phytosanitary Measures;
6. Standards, Technical Regulations and Conformity Assessment Procedures;
7. Trade Remedies;
8. Trade in Services, including Annexes on Financial Services, Telecommunication Services, and Professional Services;
9. Movement of Natural Persons;
10. Investment;
11. Intellectual Property;
12. Electronic Commerce;
13. Competition;
14. Small and Medium Enterprises;
15. Economic and Technical Cooperation;
16. Government Procurement;
17. General Provisions and Exceptions;
18. Institutional Provisions;
19. Dispute Settlement;
20. Final Provisions

RCEP



- Trade in Goods: Tariff elimination of at least 92% of goods traded among RCEP countries, with additional preferential market access for Thailand's exports and stronger provisions to allow duty-free temporary admission of goods into the regions.



- Non-Tariff Measures (NTMs) Provisions: Provisions to ensure greater transparency and stronger disciplines on NTMs, such as import licensing procedures, to better facilitate preferential market access for Thailand's exports.



- Rules of Origin: Streamlined rules give Thai businesses greater flexibility to tap on preferential market access benefits and take advantage of the value chains with regional cumulation provisions. Key sectors include EEE, Automobiles & Parts, Chemicals & Plastics.



- Custom Procedures and Trade Facilitation: Simplified customs procedures and enhanced trade facilitation lowers transaction time and costs and give Thailand's exporters greater certainty.

RCEP



- Trade in Services: At least 65% of RCEP countries' services sector will be fully open, with greater transparency of regulations and measures. (with possible liberalisation on more sectors in future)
- Investment: Performance requirements on Thai Investors as conditions for entering, expanding or operating in RCEP countries are prohibited. Built-in work programme on Investor-State Dispute Settlement (ISDS) provisions provide greater security and assurance for Thai businesses.
- E-Commerce: Elements such as online consumer protection, online personal information protection, transparency, paperless trading, acceptance of electronic signatures and commitments on cross border data flows provide a more conducive trade environment for Thai businesses.

RCEP



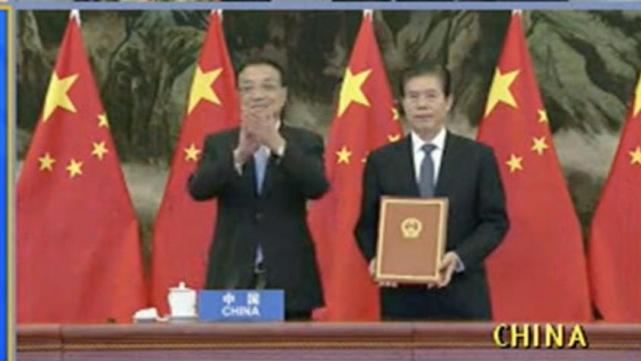
- Intellectual Property (IP): Thai business can obtain protection including for non-traditional trademarks and a wider range of industrial designs in the region. The RCEP countries also commit to accede to international IP treaties which will streamline applications to enable companies to file a single patent or trademark application designating multiple countries.



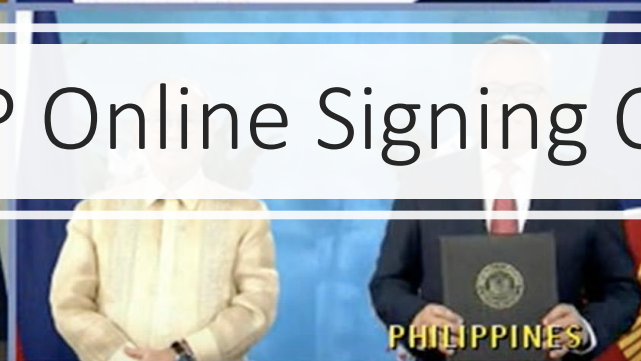
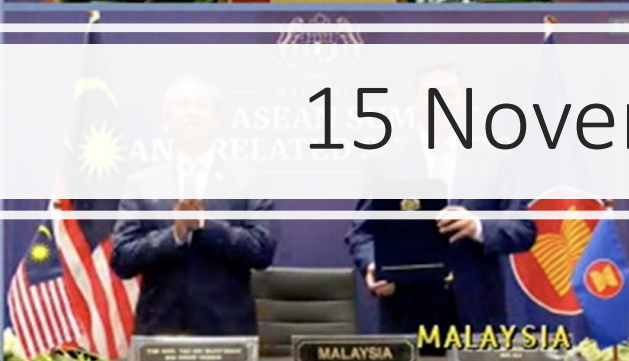
- Competition: Commitment to maintain competition law regimes based on international best practices and agreed principles protects Thai businesses from anti-competitive activity when operating in other RCEP countries.



- Government Procurement: A new area of cooperation amongst RCEP countries. Transparent laws, regulations and procedures provide greater clarity for Thai businesses that bid for government procurement projects in RCEP countries.



15 November 2020: RCEP Online Signing Ceremony



FTA 2.0	TRIPS Plus The Expansion of Agreement on Trade-Related Aspects of Intellectual Property Rights			TRIPS Compulsory Licensing (CL)	International Union for the Protection of New Varieties of Plants (UPOV-1991)	Government Procurement	an SOE acts in accordance with commercial considerations	Compliance with international labor standards (ILO), such as the establishment of associations and rights
	Patent Linkage	Patent Term Extension	Data Exclusivity					
CPTPP	O	X	X	O	O	O	O	O
USMCA	O	O	O	O	O	O	O	O
EU-Vietnam FTA	X	O	O	O	O	O	O	O
EU-Singapore FTA	X	O	O	O	O	O	O	O
EFTA	X	X	O	O	O	O	X	X
EaEU	X	X	X	O	O	X	X	O
RCEP	X	X	X	O	X	O	X	X
ASEAN-Canada FTA	n.a.	n.a.	n.a.	n.a.	n.a.	O	O	O

O = Negotiated and Enforced; X = Neither negotiation nor enforcement; n.a. = No negotiation data

CPTPP = The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam); USMCA = United States-Mexico-Canada Agreement; EFTA = European Free Trade Association (Iceland, Liechtenstein, Norway, and Switzerland); EaEU = Eurasian Economic Union (Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia); RCEP = The Regional Comprehensive Economic Partnership (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Vietnam, Australia, China, Japan, New Zealand, South Korea and India)

Thailand

- 38 FTAs
- **13 Signed and In Effect with 18 Customs Territories**
- 9 Negotiation Launched (RCEP will soon signed and in effect)
- 14 Proposed/Under Consultation and Study

ASEAN Free Trade Area	1993
People's Republic of China-Thailand Free Trade Agreement	2003
ASEAN-People's Republic of China Comprehensive Economic Cooperation Agreement	2005
Australia-Thailand Free Trade Agreement	2005
New Zealand-Thailand Closer Economic Partnership Agreement	2005
ASEAN-Republic of Korea Comprehensive Economic Cooperation Agreement	2007
Japan-Thailand Economic Partnership Agreement	2007
ASEAN-Japan Comprehensive Economic Partnership	2008
ASEAN-Australia and New Zealand Free Trade Agreement	2010
ASEAN-India Comprehensive Economic Cooperation Agreement	2010
Thailand-Peru Free Trade Agreement	2011
Thailand-Chile Free Trade Agreement	2015
ASEAN-Hong Kong, China Free Trade Agreement	2019

Vietnam

- 26 FTAs
- **13 Signed and In Effect with 53 Customs Territories**
- 3 Negotiation Launched (RCEP will soon signed and in effect)
- 9 Proposed/Under Consultation and Study

ASEAN Free Trade Area	1995
ASEAN-People's Republic of China Comprehensive Economic Cooperation Agreement	2005
ASEAN-Republic of Korea Comprehensive Economic Cooperation Agreement	2007
ASEAN-Japan Comprehensive Economic Partnership	2008
Japan-Viet Nam Economic Partnership Agreement	2009
ASEAN-Australia and New Zealand Free Trade Agreement	2010
ASEAN-India Comprehensive Economic Cooperation Agreement	2010
Viet Nam-Chile Free Trade Agreement	2012
Republic of Korea-Viet Nam Free Trade Agreement	2015
Viet Nam-Eurasian Economic Union Free Trade Agreement	2016
Comprehensive and Progressive Agreement for Trans-Pacific Partnership	2018
ASEAN-Hong Kong, China Free Trade Agreement	2019
Viet Nam-European Union Free Trade Agreement	2019

30 Chapters of CPTPP

- Preamble
- 1. General definitions and initial provisions
- 2. National treatment and market access for goods**
- 3. Rules of origin and origin procedures**
- 4. Textiles and apparel goods
- 5. Customs administration and trade facilitation
- 6. Trade remedies**
- 7. Sanitary and phytosanitary measures**
- 8. Technical barriers to trade**
- 9. Investment
- 10. Cross-border trade in services
- 11. Financial services**
- 12. Temporary entry for business persons**
- 13. Telecommunications**
- 14. Electronic commerce (e-commerce)**
- 15. Government procurement**
- 16. Competition policy**
- 17. State-owned enterprises and designated monopolies**
- 18. Intellectual property**
- 19. Labour**
- 20. Environment**
- 21. Cooperation and capacity building
- 22. Competitiveness and business facilitation**
- 23. Development
- 24. Small and medium-sized enterprises**
- 25. Regulatory coherence**
- 26. Transparency and anti-corruption**
- 27. Administrative and institutional provisions
- 28. Dispute settlement**
- 29. Exceptions and general provisions**
- 30. Final provisions

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Associate Professor, Faculty of Economics, Chulalongkorn University

- Dr. Piti Srisangnam holds a Ph.D. degree in Economics from the University of Melbourne (Australia), and an M.A. degree in International Economics and Finance from Chulalongkorn University (Thailand). He has been teaching International Economics and Microeconomics for bachelor and master degree students at Chulalongkorn University since 2002.
- 2019 Royal Thai Government Scholarships Award: Rising Star
- 2021 Peking University Dongfang Scholarships
- He has been Deputy Director for Academic Affairs of the Centre for European Studies from 2010 to 2012 and Deputy Director for Academic Affairs on the ASEAN Studies Center in 2012, both at Chulalongkorn University, before he became Director of the Center in 2013.
- He has published several papers in journals, e.g. on the economic development in Southeast Asia, on trade in services among ASEAN member states, on regional economic integration of ASEAN and of the European Union, and on the economic reform and SME development in Thailand.
- Apart from academic works, he also hosts 3 radio programs related to current issues in ASEAN.

