

Geo-Political Landscape and Its Impact on

Businesses

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1. Three Cs of US-China Relation

1.1 Confrontation

1.2 Competition

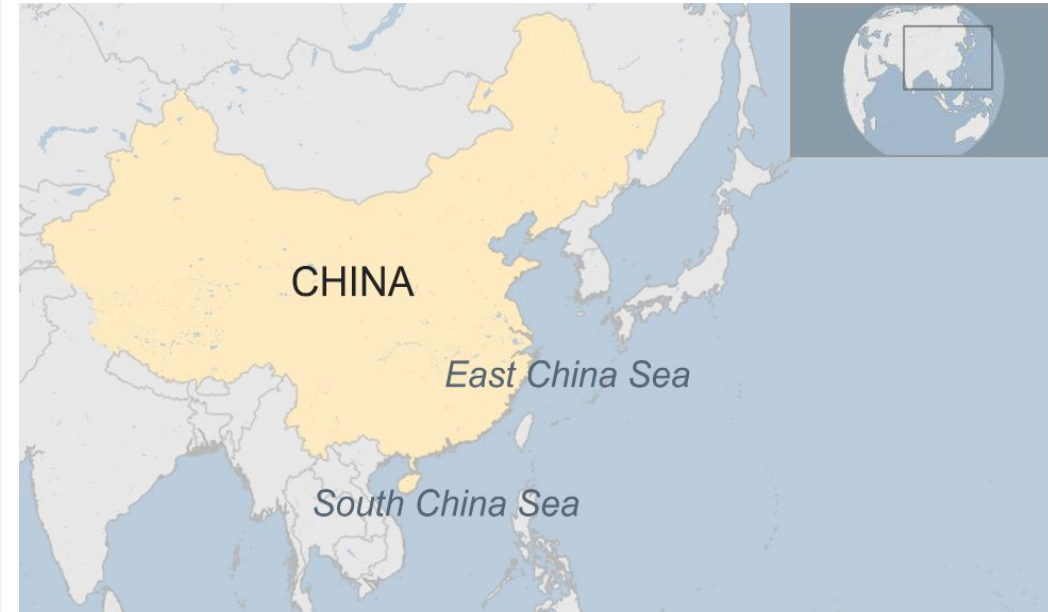
1.3 Cooperation



1.1 Confrontation

1.1.1. Areas & Issue

- South China Sea
- East China Sea
- Taiwan
- Cybersecurity



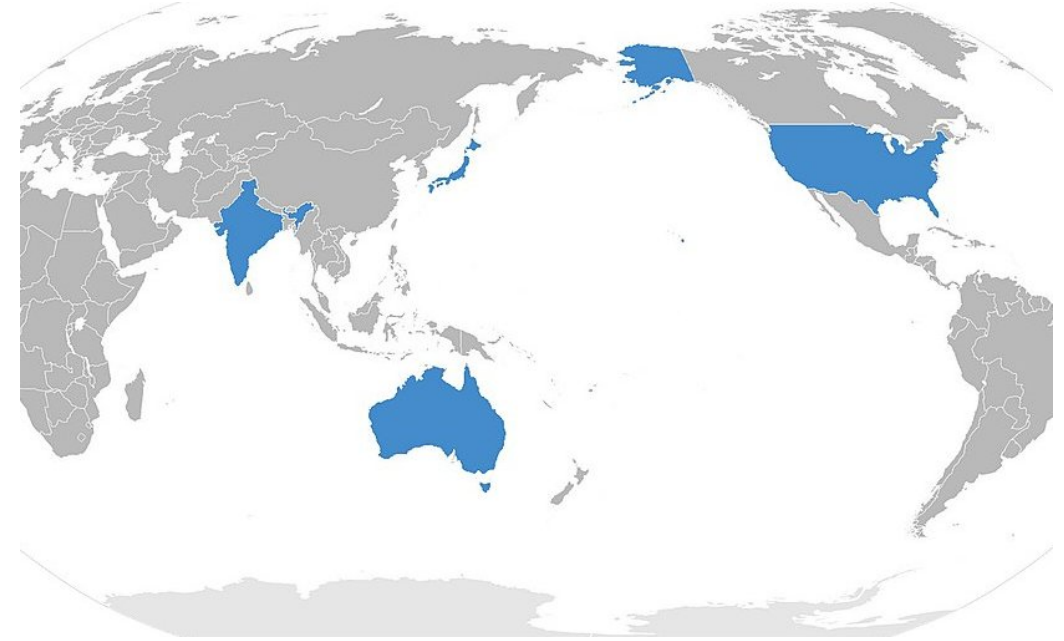
1.1.2 Responses

- QUAD & QUAD Plus
- Indo-Pacific
- AUKUS



QUAD (Quadrilateral Security Dialogue)

- Four members:
 - US, Japan, India, Australia
- QUAD-Plus:
 - QUAD : South Korea, New Zealand, Vietnam
- In joint statement in March 2021, "The Spirit of the Quad"
 - "A shared vision for a Free and Open Indo-Pacific"
 - "Rules-based maritime order in the East and South China Sea"
- The QUAD member states are needed to counter Chinese maritime claims
- The QUAD pledged to respond to Covid-19 and held a first QUAD-Plus meeting to work on its response to it. Widely viewed as intending to curb China's growing power



1.2 Competition

- Technology
- Economic
- Political
- Ideology
- Soft power



1.3 Cooperation

- Climate Change
- Pandemics
- Nuclear Non-proliferation



2. Economic Integration

2.1 Inter-Regional : CPTPP, APEC

2.2 Regional :

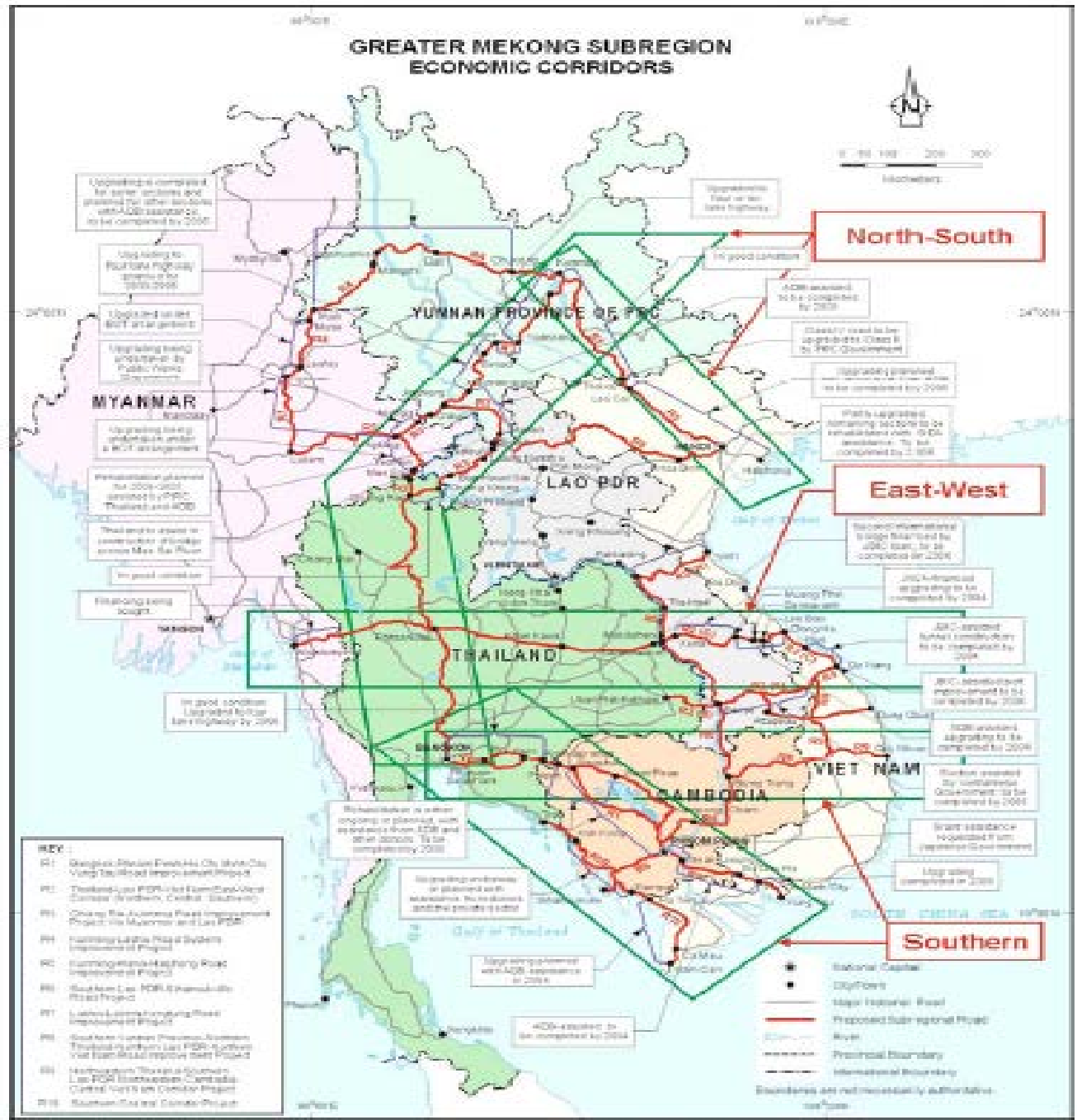
- Bilateral FTA
- ASEAN Community 2025
- ASEAN Plus 6
- RCEP (Regional Comprehensive Economic Partnership)

2.3 Sub-Regional

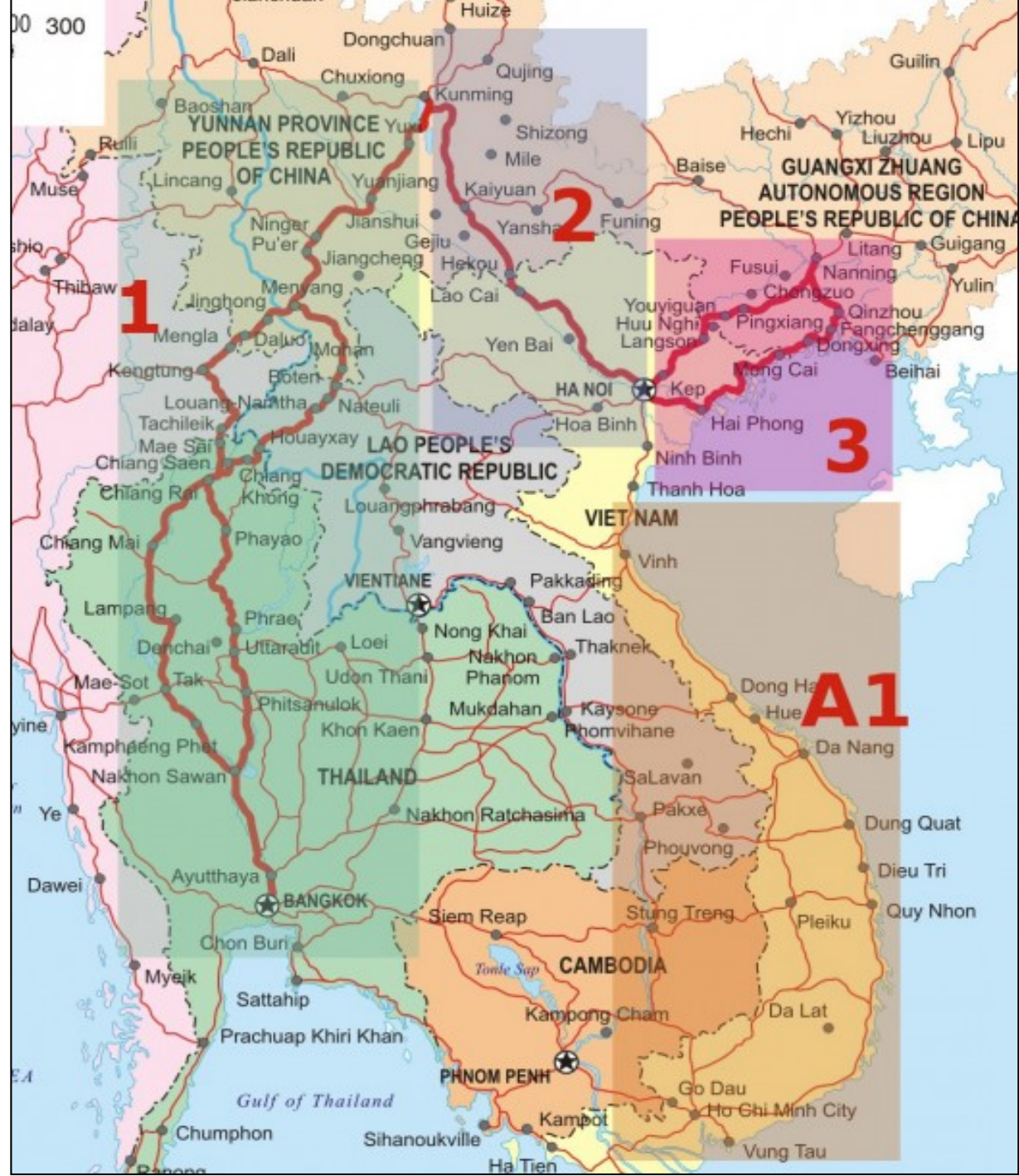
- GMS (Greater Mekong Subregion)
- IMT-GT (Indonesia-Malaysia-Thailand Growth Triangle)
- ACMECS (Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy)



GREATER MEKONG SUBREGION ECONOMIC CORRIDORS



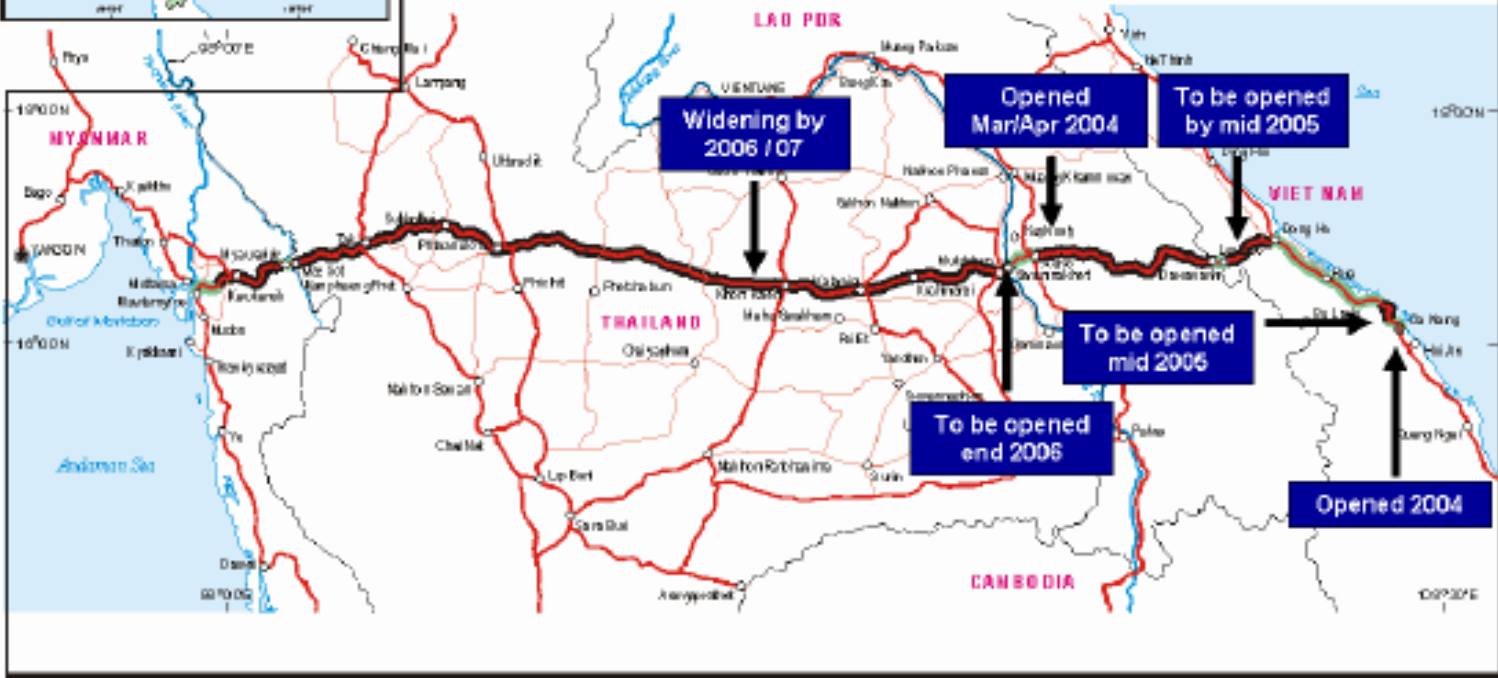
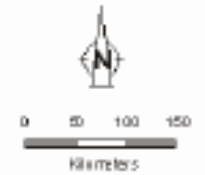
- KEY:**
- (R) Guangxi-Hainan Economic Corridor
 - (L) Thailand-Lao Road Improvement Project
 - (M) Thailand-Lao Road Improvement Project
 - (C) China-Roading Road Improvement Project
 - (S) Laos-Thailand Road Improvement Project
 - (V) Vietnam Coastal Road Improvement Project
 - (K) Laos-Vietnam Road Improvement Project
 - (T) Thailand-Lao Road Improvement Project
 - (B) Laos-Vietnam Road Improvement Project
 - (N) Vietnam Coastal Road Improvement Project
 - (O) Laos-Vietnam Road Improvement Project
 - (P) Laos-Vietnam Road Improvement Project
 - (Q) Laos-Vietnam Road Improvement Project
 - (R) Laos-Vietnam Road Improvement Project
 - (S) Laos-Vietnam Road Improvement Project
 - (T) Laos-Vietnam Road Improvement Project
 - (U) Laos-Vietnam Road Improvement Project
 - (V) Laos-Vietnam Road Improvement Project
 - (W) Laos-Vietnam Road Improvement Project
 - (X) Laos-Vietnam Road Improvement Project
 - (Y) Laos-Vietnam Road Improvement Project
 - (Z) Laos-Vietnam Road Improvement Project





GREATER MEKONG SUBREGION EAST-WEST ECONOMIC CORRIDOR Transport Infrastructure

- National Capital
 - City/Town
 - National Road
 - Provincial Road
 - East-West Economic Corridor
 - River
 - International Boundary
- Boundaries are not necessarily authoritative.





R1 : กรุงเทพฯ – พนมเปญ – โฮจิมินต์ – ว่างเตา



- The State Council authorized an OBOR action plan in 2015 with two main components:
 1. **the Silk Road Economic Belt**
 2. **21st Century Maritime Silk Road (exhibit)**
 - The Silk Road Economic Belt is envisioned as three routes connecting China to Europe (via Central Asia), the Persian Gulf, the Mediterranean (through West Asia), and the Indian Ocean (via South Asia).
 - The 21st Century Maritime Silk Road is planned to create connections among regional waterways.
- More than 60 countries, with a combined GDP of \$21 trillion, have expressed interest in participating in the OBOR action plan

..... Maritime Silk Road initiative

..... Silk Road Economic Belt



Counterweight to Belt and Road Initiative (BRI)



Blue Dot Network:

- On November 4, 2019, US Under Secretary of State, Keith Krach formally launched the Blue Dot Network with Japan and Australia counterparts with access to \$60 billion of capital from the US International Development Finance Corporation (DFC) at the Indo-Pacific Business Forum in Bangkok.
- Krach announced the Blue Dot Network's global trust standards, which are based on "respect for transparency and accountability, sovereignty of property and resources, local labor and human rights, rule of law, the environment and sound government practices and financing.
- US committed \$2 million seed money for the steering committee and issued an invitation to other G7 members to join.
- On October 19, 2020, on behalf of the twelve "Three Seas Nations" President Kermit Kaljulaid endorsed the Blue Dot Network at the Three Seas Summit in Tallinn, Estonia.
- On June 7, 2021, the OECD committed to support the Blue Dot Network at the meeting of the Executive Consultative Group, in Paris, France.

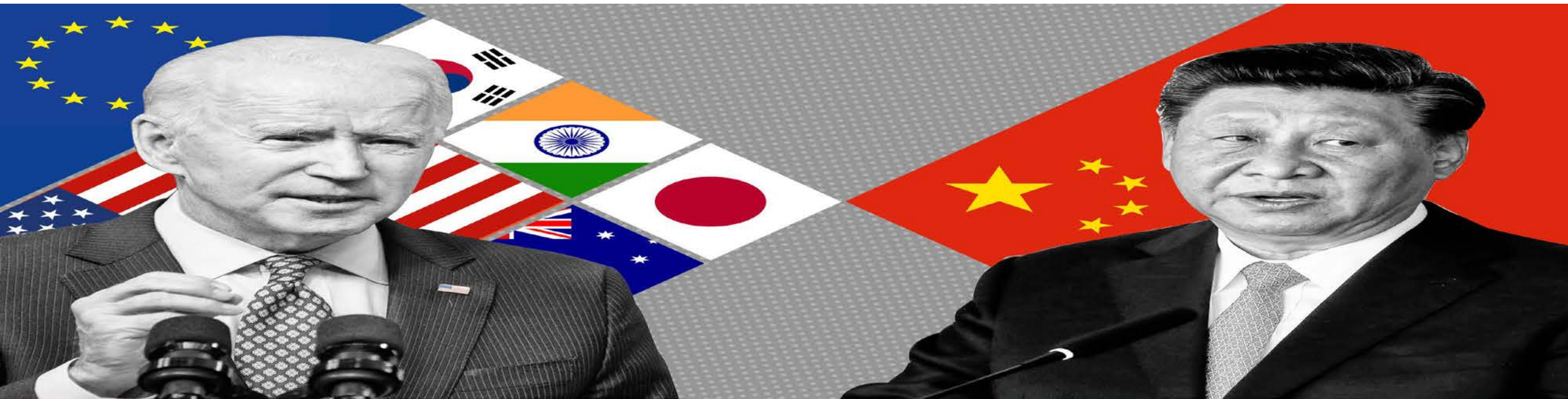
B3W: Build Back Better World (1/2)

- B3W is US's response to China's BRI announced at the G7 Summit 2021 in the United Kingdom, with no new institutional framework.
- B3W is an initiative undertaken by G7 countries. Launched in June 2021. The initiative is designed to counter China's strategic influence by providing an alternative for the infrastructure development of the low and middle income countries.



B3W: Build Back Better World (2/2)

- Led by the US, the G7 countries will work to address \$40 trillion worth of infrastructure needed by developing countries by 2035. The initiative aims to catalyze funding for quality infrastructure from the private sector and will encourage private sector investment that support "climate, health and health security, digital technology and gender equality.
- The B3W efforts are in line with the standards and principles of the Blue Dot Network, relating to the environment and climate, labor and social safeguards, financing, construction, anti-corruption and other areas.



Counterweight to Illiberal Globalization (1/2)

The Clean Network

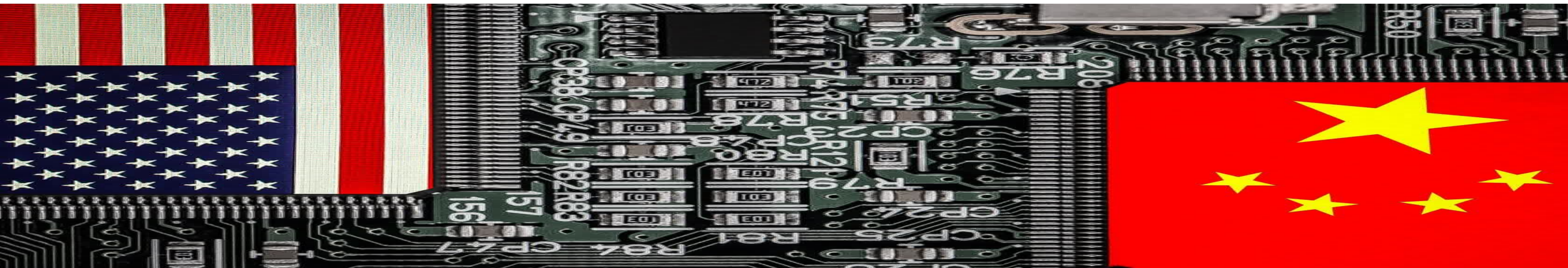
- The term was coined and initiated by US Under Secretary of State, Keith Krach, under Trump's Administration.
- Krach 's Clean Network provides continuity with the Biden Administration 's desire to get democracies together on the same playing field on technology and economics, apart from politics.
- The Clean Network is a US government-led bipartisan effort to address what it describes as "the long term threat to data privacy, security, human rights and principled collaboration posed to the free world from authoritarianism malign actors. It has resulted in an "alliances of democracies and companies" based on democratic values.



Keith J. Krach

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- The Clean Network is intended to implement internationally accepted digital trust standard across a coalition of trusted partners.
- December 2020 , the US announced that more than 60 nations, representing more than two-third of the world gross domestic product and 200 telecom companies, have publicly committed to the principles of the Clean Network.
- The alliance of democracies included 27 of the 30 NATO members, 26 of the EU 27 members, 31 of the 37 OECD members, 11 of the 12 Three Seas members as well as Japan, Israel, Australia, Singapore, India and New Zealand, Taiwan, Canada and Vietnam



Geo-political Perspective of Climate Change

- US-EU-China Cooperation
- EU Vision and Roadmap

Controversial Issues:

- APEC and CPTPP
- Cybersecurity
- US-China Trade, Finance and Technology
- Supply Chain
- Decoupling

