

**Pointers for H.E. Mr. Tanee Sangrat
Ambassador of the Kingdom of Thailand
to the United States of America**

Foreign Affairs Council of Austin

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1. Alliance

Past

- This year, 2023, marks **190 years of diplomatic relations**. It began in **1833**, with “**Treaty of Amity and Commerce**”, the first treaty made between the US and an Asian nation.
- The bond between our countries has grown **stronger, through countless economic, cultural, and security ties**.
- In 1954, the signing of the **Manila Pact**, formed a security alliance to halt communism in the region.
- Further elevating security partnership was the signing of the **Thanat–Rusk Communiqué** in 1962, which established a mutual defense treaty guarantee that the US would come to the aid of Thailand if encroached upon by its neighbors, and vice versa.
- Members of our brave armed forces upheld these promises and shed blood **shoulder to shoulder**, fighting together in the **Korean and Vietnam wars**, and throughout the Cold War.
- In 2003, Thailand was designated as a **major non-NATO ally**.
- Thailand joined the War against Terrorism and provided key logistics cooperation in the efforts.

Present

- The **global geo-politics and geoeconomics**, particularly **US-China competition, war in Ukraine**, food and energy crisis, supply chain crisis from the **pandemic**, post challenges to the Thai - US relations.
- Thailand is strategically located in the **center of ASEAN**. Thailand is an important ally of the US in the region and **benefits from US engagement in the region** particularly with its Indo-Pacific strategy, which Thailand and ASEAN welcome warmly. However, we are also **geographically close to China and benefit from Chinese economic growth**. Thailand needs to find ways to constructively engage the two powers for **peace and stability of the region**.
- The alliance has become more vibrant in recent years.
- Last July, Thailand and the US signed two important documents namely, **Communiqué on Strategic Alliance and Partnership**, and the **MOU on Promoting Supply Chain Resilience**. The **Communiqué** was the most important document since the **Thanat–Rusk Communiqué in 1962**. It revitalizes our alliance covering political, economic and social aspects.

- The **MOU** was as a result of **COVID-19** where, supply chains were severely disrupted. **Both documents are now our guiding compass** for the elevation of our alliance with the US in the foreseeable future.

Future

- Thailand shares the same **aspirations with the US in enhancing regional prosperity** and maintaining a **peaceful and stable regional environment**, while addressing common challenges such as global public health, and climate and energy crises.

- Thailand is friendly towards all countries. We are an ally with the US and we are good friends with China. Thailand stands ready to **support the dialogue between the two countries**.

- We look to support the US' role in the Indo-Pacific particularly by cooperating with the US on development cooperation in Mekong, such as in **ACMECS and MUSP**.

- **Cobra Gold** with the US, which is the largest multinational military exercise in the Asia Pacific, will commence on 28 February.

- Our partnership is **not just limited to security**. The US and Thailand have worked together to promote **economic growth and development**.

- This year is a great opportunity to translate our aspirations into tangible outcomes. During this U.S. APEC host year, there will be **8 APEC's ministerial meetings**. We hope and have proposed to Bangkok to also have **8 bilateral discussions** or official visits to the U.S by the key ministries.

- Our country's **strategic location and business-friendly climate** have made it an attractive destination for investment from **companies around the world**, including those based in the United States.

2. Thailand's Economy

- Last year, our economy expanded **3.3% and should expand 4% this year. This is a promising sign that we are now fully back on track**. This growth is expected to be supported by (1) **the recovery of tourism sector** and (2) **the expansion of both private and public investments** among others.

- Export accounts for 17% of GDP and Rising

- Tourism still plays an important role for our economy, accounting for about **18% of the GDP**. The removal of COVID-19 restrictions has revitalized our tourism sector. **We welcomed a total number of 11.5 million international visitors, a 25% recovery (450,000 from the US), an almost 50% increase and we hope that the number will double to 18-20 million this year.**

- Energy Security will transition from 50% natural gas, 30-40% renewables, 10% coal to **50/50 natural gas and renewables** in the next several years.

3. Thai-US Economic Relations

Trade

- In 2022, **the trade volume between the two countries reached 74.33 billion USD, increasing 23.38%** from the previous year and accounting for more than 11% of Thailand's trade with the world.
- **The US is Thailand's 2nd largest goods trading partner** (after China) and **Thailand's 1st largest goods export market** (\$47.53 billion). The products include computer and electronics, rubber, telecommunication equipment, jewelry, and electronics. The U.S is also **Thailand's 3rd largest supplier of goods imports** (\$18.03 billion) after China and Japan. The products include crude oil, circuit board, chemical, machinery and aircraft parts.

Investment

- In 2022, **the US was the 3rd largest investor in Thailand**, with more than 1.5 billion USD, accounting for 12% of the total FDI value (after China and Japan). One of the investments that plays a significant part is **Amazon Web Services** which has announced a plan to **invest \$5 billion over the next 15 years** to expand and bolster its cloud-computing infrastructure in the EEC, Thailand.
- Vice versa, **Thailand has invested more than USD 10 billion directly and indirectly in the United States, creating jobs for more than 60,000 American workers**, across 27 states. Thai companies contribute to American key sectors ranging from **energy, plastics, chemicals, food & beverages, software & IT services, auto components, building materials and real estate**. These include Banpu, Indorama, CP, Thai Union, Gulf Energy, PTT and PTTGC, Gulf, EPCO, ECGO, and Summit.

4. More Investment from the US

- Our mission is to implement the **MOU on Promoting Supply Chain Resilience began with the Roadshow of Thai Trade Representative to the US. Our TTR had a number of meetings with leading US companies** (Microsoft, Amazon Web Services (AWS), Western Digital and Analog Devices). We look forward to building supply chain resilience by partnering with these corporations.
- **The Eastern Economic Corridor or EEC, one of the economic priorities of Thailand** will be a great **opportunity for U.S. companies to strengthen its supply chains**. Since its inception in 2018, **the EEC's total investment value has accumulated to more than 55 billion USD in the first 5 years**, beyond the target of 47 billion USD. Though Japan and China are among the biggest foreign investors in the EEC, 14% and 11% of the total investment respectively, **the investment from the U.S. accounts for 4 % or 2.2 billion USD** from companies like Cisco, Intel, AWS and Mavenir. We are working to increase the number and target US companies in **5G, smart logistics and BCG related industries** through a variety of investment incentives which can be tailored to fit the particular needs of investors
- **We look forward to working with the US in promoting sustainability through cooperation in EV industry**. Driven by our most comprehensive and progressive EV support policy across EV & battery manufacturing and charging and the strong domestic EV demand, **the success**

has been proven by EV sold/booked of 36,000 units in the past 12 months. The official launch of Tesla sales in Thailand was a great success, with 7,800 bookings in one month's time, the second highest number in the region, only after China. PTT, our energy company will add 7,000 charging stations across Thailand. Tuk-tuk manufacturers plan to make thousands of electric tuk-tuks, which are popular among tourists and locals in a hurry.

5. Startup Promotion

- Emphasize that **the Embassy would like to promote startups from Thailand and would like to connect them with VCs, business incubators and startup accelerators in the US.** Suggestions from the floor is welcomed.

6. IPEF

- **Appreciate the US' leading roles in IPEF** which reflects the determination of the U.S. Government to play a constructive role in the Indo-Pacific region. Thailand, as one of the founders of IPEF, is committed to continue **working closely with the U.S. and all IPEF Partner Countries to promote economic resilience and prosperity** in the region.

7. APEC 2022

- The Bangkok Goals on Bio-Circular-Green (BCG) Economy

- Under the US' leadership in 2023, we look forward to **concretely implement the Bangkok Goals and support the US' sustainability priorities** in APEC.

- Moreover, we also look forward to working with the US government to advance **the implementation of the multi-year workplan on the FTAAP** agenda as well as to **push forward the safe passage work to promote greater business mobility for APEC economies.**

8. Thai Festivals

- We also look to expand **people-to-people ties through Thai Festivals** that will be organized throughout the year including the **Thai Festival in Minnesota, Florida, Maryland, and the main U.S.-Thai Alliance Festival in Washington, D.C.** in July which will showcase Thai food and fruits, Muay Thai, Thai silk and textiles fashion show, Thai traditional Massage, as well as innovative products and services from Thai firms investing in the U.S.

9. Reaffirm Thailand's commitment to the US

- Thailand will have an **election in May.** Whichever parties come into power; the US will still be Thailand's most important ally, and pro-market, Thailand will remain in play. With my 30 year experience of working with all governments in Thailand, **all career officials will continue to ensure continuity** in relations with our **US ally, friends, and partners.**

Thank you.