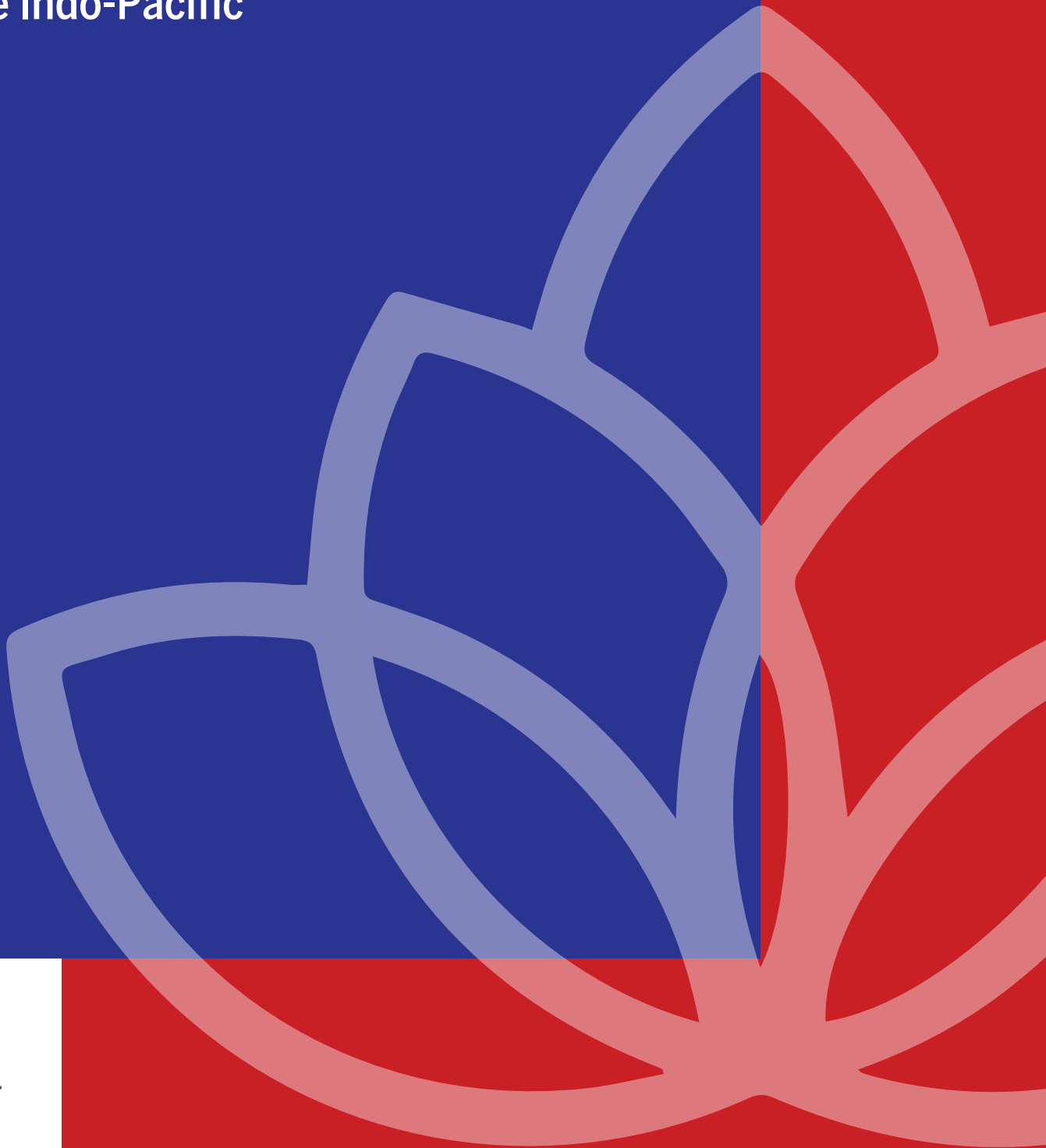




NEW OPPORTUNITIES for the United States-Kingdom of Thailand Alliance in the Indo-Pacific



EAST-WEST
CENTER

PREFACE

In March 2022, the East-West Center in Washington (EWCW), in collaboration with the Royal Thai Embassy, Washington, DC, convened a two-day seminar in which experts from Thailand and the United States discussed issues and opportunities for the US-Thailand alliance. The workshop included a diverse array of discussants hailing from government, military, academic, think tank, and private sector backgrounds.

The seminar was a part of the *New Opportunities for the United States-Kingdom of Thailand Alliance in the Indo-Pacific* series, which seeks to promote further engagement and better understanding between the United States and Thailand’s respective government officials, parliamentarians, private sectors, academic and think tank analysts, and the general public. The recent signing of the United States-Thailand Communique on Strategic Alliance and Partnership and a memorandum of understanding (MOU) focused on promoting supply chain resilience on July 10, 2022, highlight the pertinence of this seminar and series. The Communique is a milestone document that outlines the common strategic goals and interest driving the US-Thailand alliance in the 21st century. Similarly, the MOU will enhance US-Thailand trade and investment opportunities.

The topics discussed at the seminar aligned with many of the pressing issues addressed in the Communique and MOU, including expanding law enforcement cooperation, deepening cybersecurity collaboration, supporting resilient transportation corridors, advancing military modernization, and catalyzing Thailand’s bio-circular-green (BCG) economy. The seminar discussion also covered topics and key themes from a series of jointly produced public webinars, which can be found under the name of the series at www.eastwestcenter.org, and an *Asia Pacific Bulletin* series of policy briefs on US-Thai affairs, which is attached to this report as an appendix.

All seminar discussions were unofficial, frank, and not for attribution. This report, which adheres to the “Chatham House Rule” under which observations referred to in the report are not attributed to any individual participant, is a summary of the group discussions and the key themes from the seminar. Lance Devreaux Jackson, Programs Coordinator at the East-West Center, served as rapporteur and drafted this report. Olivia Morrish and Batjav Naranbat, participants in the EWCW Young Professionals Program, conducted research to support the visualizations in this report. All views expressed in this document are those of the participants and do not necessarily represent a consensus of all views expressed nor the views of the Royal Thai Embassy and the East-West Center.



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EXECUTIVE SUMMARY:

Opportunities for Advancing the US-Thai Alliance



New Era for the US-Thai Alliance

The US-Thai partnership has evolved beyond the Vietnam era and the War on Terror and entered a new alliance-building and modernization phase. Over the course of this transition, the United States and Thailand developed different understandings of alliance roles and responsibilities. The following actions will aid in reconciling expectations:

- ***Undertake a joint review of the strategic documents that underpin the US-Thai alliance***
The review would not attempt to redraft strategic documents but jointly clarify objectives allowing the United States and Thailand to identify new areas of alignment and ensure mutual understanding in areas where objectives do not align.
- ***Address the lack of appreciation for Thai capabilities on the American side of the alliance***
US leadership and strategic planners need to increase their understanding of Thai capabilities and positions on strategic issues.
- ***Create a mechanism to update objectives and expectations***
The mechanism needs the authority to tee up items for strategic dialogues. It should sit above the Joint United States Military Advisory Group Thailand (JUSMAGTHAI) and the Defense Attaché Office.

The Alliance in the Wake of US-China Competition

American discourse on China often uses the frame of peer competition or great power struggle. However, the frame does not align with Thailand's strategic outlook. To better coordinate efforts to manage strategic competition in the region, the allies must:

- ***Address strategic competition using a framework of hegemony prevention***
This approach leverages a shared US-Thai strategic interest in preventing the domination of Southeast Asia by any single power. This framework could include mechanisms for tracking hegemonic influence in Southeast Asia.
- ***Undertake a joint net assessment of the China challenge in which intelligence and defense officials from both nations outline how they view relations with China and propose an approach to address any perceived security threats at the strategic level***

The Alliance notwithstanding, Thailand is concerned about US commitment to it as a democratic partner as Thai democracy features a monarch as the head of state and has a longstanding pattern of disruption and re-democratization. This uncertainty factors into how Thailand positions itself in relation to strategic competition in the Asia Pacific. In order to reassure its ally, the United States must:

- ***Dispel uncertainty regarding America's commitment to Thailand by affirming US acceptance of Thailand's political identity and democratic ideology***



Thailand and the United States as Partners in Security

Over the course of the seminar, experts proposed the following ways for the alliance to leverage the Cobra Gold military exercise:

- *Expand Cobra Gold to include more Lower Mekong nations as participants rather than observers and address a broader range of nontraditional security threats*
- *Introduce a second phase to the Cobra Gold exercise, which would include all ASEAN member states and focus on humanitarian assistance and disaster response (HA/DR)*
- *Engage beyond military-to-military relations by adding a 1.5-track dialogue to the Cobra Gold exercise*

Workshop Participants outlined a path forward for the modernization of Thailand's armed forces and the expansion of military interoperability:

- *Support the Royal Thai Air Force in its bid to acquire F-35 Joint Strike Fighters*
- *Expand bilateral military exercises that support the interoperability and modernization of Thailand's armed forces, like Hanuman Guardian with its focus on integrating the Stryker infantry carriers into Thai military operations*
- *Discuss potential warfighting scenarios*
Defense strategists and planners from the US and Thai sides should explore the dispersal and diversification opportunities US forces require to preserve a credible security deterrent in the Asia Pacific and how Thailand is willing to contribute to these opportunities.

Seminar discussions identified the following opportunities for US-Thai cooperation in the arena of nontraditional security:

- *Address security gaps in Thailand's financial infrastructure*
In addition to increasing transparency, strengthening Thailand's financial infrastructure will serve to combat financial crimes and money laundering.
- *Cooperate on raising the digital capacity of the Lower Mekong subregion*
Increasing the digital capacity of the Mekong will reduce the smuggling of arms and drugs, the trafficking of people, cyber-attacks, vulnerabilities in health infrastructure, and energy scarcity.
- *Explore security cooperation in the information sector to protect democracy and counter media manipulation*
- *Use US-Thai efforts to better incorporate non-governmental organizations (NGOs) into Thailand's trafficking investigations and victim protection activities as a model for other capacity-building programs*
- *Expand the scope of the US Army Medical Directorate of the Armed Forces Research Institute of Medical Sciences (USAMD-AFRIMS) to include veterans' assistance*

Debate on maritime security generated the following points:

- *Build Thailand's maritime capacity through better relations between the US Navy and Coast Guard and their Thai counterparts.*
- *Jointly pursue deeper regional integration of maritime security and the associated capabilities of maritime domain awareness after developing Thailand's naval capacity.*





Thailand and the United States as Partners in Trade and Investment

Workshop participants suggested the following steps for advancing US–Thai economic relations:

- *Bolster bilateral trade, US-Thai capital flows, and regional supply chains by upgrading the 2002 US-Thailand Trade and Investment Framework Agreement*
- *Quickly implement and scale the Build Back Better World program in the region*
- *Encourage US tech companies to expand in the Thai market*
- *Support US-Thai collaboration in Thailand's bio-circular-green (BCG) economy*
- *Leverage US experience in international financial transactions by providing technical assistance and capacity-building programs to Thai financial regulators in the government and private sector*
- *Help Thai small and medium enterprises bridge the digital divide through programs that support financial literacy*

Partnership on The Mekong

Conferees put forth the following ideas for strengthening US-Thai cooperation in the Mekong Subregion:

- *Continue cooperation on monitoring and collecting hydrological data on the Mekong River*
This issue is important, but politicization has inflated its significance. While reports that Chinese upstream dams were exacerbating downstream drought in Southeast Asia garnered significant political and media attention, this issue alone will not drive cooperation in the Mekong forward.
- *Support Thailand's leadership in the Mekong*
US-Thai trilateral cooperation in the Mekong Subregion is extraordinarily productive and is critical in helping the alliance find its footing in this new era of relations. The 2021 strategic partnership between the U.S. Agency for International Development (USAID) and the Thailand International Cooperation Agency (TICA) is an illustrative example of how the United States can advance its aims by stepping back and sharing the burden of leadership with Thailand.
- *Cooperate to develop East-West transportation and commercial lanes in the Mekong*
These corridors support Thailand's role as ASEAN's logistics hub. Moreover, as all the Quadrilateral Security Dialogue (Quad) members have Mekong-focused initiatives, Quad cooperation on Mekong infrastructure development would demonstrate how mini-laterals work in concert with the US-Thai alliance.



People to People

Seminar invitees agreed that there is room for improvement in people-to-people ties at all levels of the alliance, ranging from the government to the public arena. They offered the following approaches for enhancing ties:

- *Provide mechanisms to the alliance’s already well-developed meeting structure to regularize contact outside formal settings*
Opportunities for junior and mid-level staff to socialize with their Thai or US counterparts will help address gaps in people-to-people connections at the implementation level of the alliance.
- *Explore how the United States could generate soft power from the promotion of Thailand’s digital capacity*
- *Pursue new forms of educational outreach that have grassroots appeal and broad reach*
- *Implement more English language training programs for Thai military officers and government officials*
- *Translate more American publications on doctrine, international relations thought, and foreign affairs into Thai*
- *Open a robust American Cultural Center in Bangkok, with smaller satellite centers in the north, south, and east of the nation*
- *Advantage more opportunities to celebrate the personal stories of American contributions to Thailand and Thai contributions to America*

US VISITORS TO MEKONG COUNTRIES



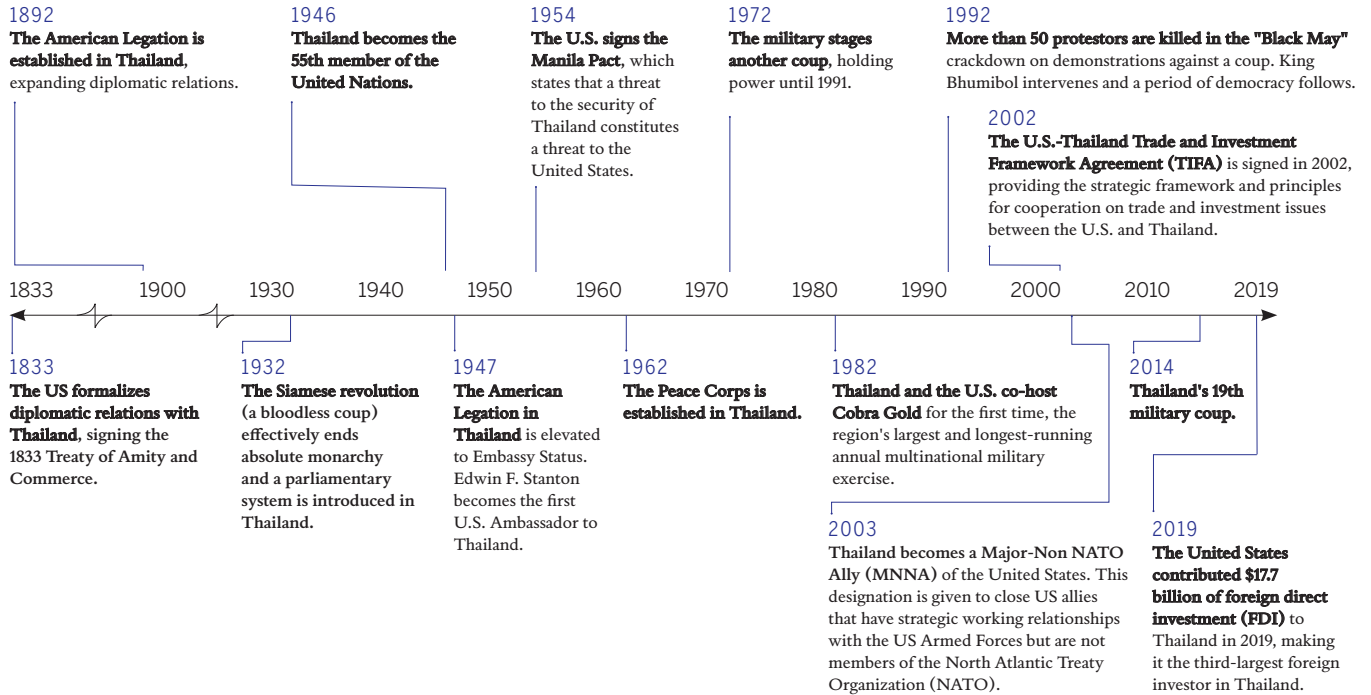
Sources: The Mekong Matters for America (2020); Cambodia Ministry of Tourism, Laos Tourism Development Department, Myanmar Ministry of Hotels and Tourism, Thai Ministry of Tourism and Sports, Vietnam Ministry of Culture, Sports and Tourism; 2018 data





Opportunities for Advancing the US-Thai Alliance

HISTORICAL TIMELINE



The State of the US-Thai Alliance

The seminar opened with remarks from a Thai and an American discussant regarding the state of US-Thai relations. Both speakers refuted the perception that Thai-US relations are adrift and referenced various diplomatic milestones. Speakers noted that the two countries have been treaty partners for nearly 200 years as we approach the 190th anniversary of the signing of the 1833 Treaty of Amity and Commerce, as well as the fact that this year marks the 68th year of the US-Thai Alliance.

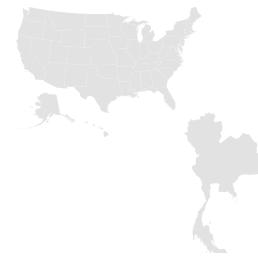
Both discussants highlighted recent visits by senior officials to their respective countries. However, the discussants were not content to rest on the laurels of historical achievements and high-level visits. Instead, an American participant asserted that the alliance must be continually renewed by

moving beyond government-to-government ties to engage the Thai and American people. This sentiment was echoed by the Thai participant, who emphasized the many personal connections that span the Pacific between the United States and Thailand, including the family legacy the famous Siamese Twins, Eng and Chang Bunker, left in Mount Airy, North Carolina.

The opening remarks went on to identify opportunities for deepening cooperation in the areas of post-pandemic economic recovery, public health, multilateral engagement, humanitarian assistance, clean energy, climate change, security, and defense.

The Thai speaker noted that the United States has much to contribute to the region in terms





of technology, financial capital, and economic partnerships. The American speaker recognized Thailand as a regional leader in the pharmaceutical industry, highlighting that the nation had reach the production milestone of 10 million AstraZeneca doses per month. This production milestone demonstrates Thailand’s potential as a regional supplier of vaccines and presents opportunities for cooperation. For example, Chulalongkorn University and the University of Pennsylvania are collaborating on mRNA vaccine research, while several US vaccine developers are in discussions to partner on manufacturing projects inside Thailand.

A major point of mutual agreement was the importance of aligning priorities and coordinating agendas across bilateral and multilateral forums. US-Thai multilateral engagement is robust and is facilitated through ASEAN, Asia-Pacific Economic Cooperation (APEC), the Mekong-US Partnership, and the Japan-US Mekong Power Partnership. As allies, Thailand and the United States are uniquely poised to deepen multilateral cooperation through each nation’s respective 2022 and 2023 APEC host year. Over the course of these two years, both nations will have the opportunity to work together in shaping the norms, values, and standards guiding the evolving regional architecture of the Indo-Pacific. The annual Thailand-US Strategic Dialogue, which will be held in the spring of 2022, also serves as a platform for discussions across a wide range of topics, including security cooperation, military interoperability, economic revitalization, and the protection of human rights.

The American speaker expressed that the United States stands ready to work with Thailand to end the violence in Myanmar, address the related humanitarian challenges, and strengthen democratic institutions. Similarly, to assist Thailand with its goal to cut carbon emissions by 40% by 2030 and achieve carbon neutrality by 2050, the United States supports the transfer of

clean technology to Thailand, financing the Thai green economy, and the expansion of Thailand’s role in the critical energy supply chain.

Comments by both speakers touched upon security and defense cooperation, a vital facet of the alliance. US and Thai law enforcement agencies collaborate to combat international drug trafficking operations, terrorism, intellectual property rights theft, money laundering, and cybercrime. Moreover, the International Law Enforcement Academy in Thailand, which is jointly operated by the US and Thai governments, provides specialized training to participants from across Asia. In the defense arena, the multinational Cobra Gold military exercise is continually adapted to address new security challenges.

Redefining the US-Thai Alliance for a New Era

There was extensive discussion regarding elements of convergence and points of divergence between the strategic interests of the United States and Thailand. One discussant contended that the expectations of US leadership remained anachronistic to the Vietnam War era. These dated expectations manifested as assumptions of unfettered access to certain facilities in Thailand on the US side of the alliance. However, this is not the case as alliance dynamics have changed.

Using an anecdote centered on the military unit Thailand deployed to the Demilitarized Zone in South Korea, another discussant highlighted how the understanding of alliance roles and responsibilities differ between the United States and Thailand. In the anecdote, Thailand was asked to increase its contribution to the Thai military unit in South Korea. Initially, The Royal Thai Army (RTA) agreed to increase the





contribution as an alliance obligation. However, this decision was reversed somewhere up the chain, either at RTA headquarters, the Royal Thai Armed Forces Headquarters, or the Ministry of Defense (MOD).

Several experts at the seminar put forth the idea that Thailand and the United States approached their alliance with different mentalities. One reason for the differences in US and Thai strategic interests stemmed from an incongruence between the US view of the alliance, which is rooted in hard security terms, and the Thai view of the alliance, which approaches the partnership with a more holistic perspective. A hard security approach worked well during the Cold War when the United States and Thailand agreed on the nature of the threat and remained somewhat useful during the global War on Terror as there was a significant amount of cooperation on the capture and rendition of terrorists. However, the approach falls short in the current context of the alliance.

After acknowledging different approaches, particularly Thailand’s seemingly more neutral stance regarding security issues, multiple discussants emphasized that the allies had many overlapping concerns. Thus, there was broad agreement across the seminar’s experts that the strategic documents that underpin the alliance needed to be reviewed. A popular suggestion within this vein of discussion was a framework to examine all relationships on priorities like the Belt and Road Initiative (BRI), US-China strategic competition, post-pandemic plans, et cetera. Moreover, this review would not attempt to redraft strategic documents, but it would be an effort to clarify objectives. Jointly reexamining strategic objectives will allow the United States and Thailand to identify new areas of alignment and ensure mutual understanding in areas where objectives do not align. This process will also allow the alliance partners to create a shared understanding of roles and

responsibilities outlined for each party within strategic documents and consider if this new understanding is accurately reflected at the implementation level and in the joint defense posture.

The discussion also covered the need for new mechanisms by which objectives and expectations could be updated. One participant outlined shortcomings with current strategic dialogues. Many of these dialogues do not have much substance because they explore issues brought up for the first time. Thailand’s MOD does not have a cadre of working-level bureaucrats dedicated to recommending strategies for defense cooperation, equivalent to the Defense Security Cooperation Agency (DSCA). Subsequently, senior leadership drives options for advancing security cooperation on the Thai side. The participant noted that the Joint United States Military Advisory Group (JUSMAG) and the Defense Attaché Office facilitated some degree of security cooperation. However, there is a need for a mechanism that includes officials senior enough to tee up items for strategic dialogues, allowing the details of more substantive initiatives and solutions to be discussed at the higher level. Implementing this process would facilitate more tangible results from future strategic dialogues.

Several discussants suggested topics that a US-Thailand strategic review should cover. A Thai participant highlighted that Thailand is using a long-term national strategy system. Ergo, capacity building in strategic intelligence, especially anticipatory intelligence and strategic foresight, opens up a rich area of cooperation. Moreover, it offers the United States a better understanding of Thailand’s strategic focus on avoiding crisis before it happens. The participant concluded by emphasizing that an in-depth understanding of plausible outcomes will help constrain the behavior of all stakeholders in the region.





An American invitee thought jointly updating alliance objectives and expectations would be an excellent opportunity for US strategic planners and leadership to seriously consider what actions they want Thailand to take, better understand Thai capabilities, and learn more about Thailand’s position on strategic issues. While the idea seems straightforward, the speaker asserted that Washington does not consistently articulate clear asks to its Thai ally. Moreover, due to a lack of appreciation for Thai capabilities on the American side, sometimes American requests do not align with Thai capabilities, let alone what Thai leadership thinks the country should do.

The Alliance in the Wake of US-China Competition in the Indo-Pacific

Geostrategic competition between the US and China and in the Indo-Pacific was interwoven with many topics discussed throughout the seminar. An American participant addressed the topic directly by stating that China, especially within the information space, presents a threat to democratic countries like the United States and Thailand, as Beijing sees democracy as a challenge to its brand of governance. The speaker continued by cautioning that the alliance might have to update its Cold War skills to address these issues differently than the partners have in recent memory. This statement shared a line of thinking with later remarks from another American who reminded fellow participants that the Indo-Pacific Strategy confirms China as the pacing element and organizing principle for the US defense enterprise. Ergo, the speakers suggested that the United States and Thailand bring together intelligence services and defense planners to undertake a joint net assessment of the China challenge. In this joint assessment, both parties would lay out how they see the China challenge and propose how to approach the challenge at the strategic level. This type of dialogue would present opportunities to discuss emerging security

concerns, like protecting the region from economic coercion, especially smaller economies dealing with sudden and severe coercive economic measures imposed by China.

In response to these comments, a Thai-based speaker pointed out that they were predicated on the underlying assumption that Thailand would find its interests aligned with America’s if conflict ever became kinetic in the region. While the speaker qualified that this assumption was most likely correct, it is crucial to consider that Thailand may not be as willing as it has been in the past to take up the American position in a bifurcated conflict. To illustrate this point, the speaker cited *Tipping the Balance in Southeast Asia?*, a 2017 CSIS report, in which a significant number of Thai military officials saw the United States as a greater threat to Thailand’s security than China. While the five-year-old report’s findings might not keep pace with current political contexts, it exemplifies the potential for stark differences in Thai and American security perceptions. According to the Thai-based speaker, questions surrounding the US-Thai alliance center on the lack of agreement on the challenge of China. A Thai participant concurred with this statement asserting that the majority of the uncertainty in the US-Thai alliance stemmed from the hegemonic clash between China and the United States.

Further discussions on China broached that America’s tendency to present China in terms of peer competition and great power struggle does not resonate with Thailand’s strategic outlook. This disconnect harkens back to differing views of the alliance. Washington primarily views the alliance through the lens of hard security. On the other hand, Bangkok’s more holistic view of the alliance gives more weight to social, economic, political, and environmental dimensions. Even if Thailand shared America’s focus on hard security, China would not be the organizing principle for the defense enterprise. Rather than





securitizing the entirety of bilateral relations, Thailand’s approach disaggregates China and securitizes specific interactions between itself and Beijing. Thai security concerns in the Mekong, which are discussed later in this report, are an apt example of this compartmentalization.

Another discussant contextualized the dynamics between strategic competition and US-Thai alliance within a broader regional context. The discussant disagreed with those who believe the region is becoming more bipolar as actors attempt to orient themselves between Chinese and American interests. Instead, the discussant argued that the region is becoming more multipolar in orientation. There is growing interest in the region among a broad range of actors, including India, Australia, Europe, the Middle East, and South Korea. Subsequently, mainland Southeast Asia is quickly becoming a pivotal geopolitical region with Thailand at its center. Based on this assessment of regional dynamics, the United States and Thailand share a strategic interest in preventing hegemony in Southeast Asia. Ergo, an updated framework for the US-Thai alliance should ensure that ASEAN remains an open and secure region that can act as an international entrepot and meeting place for all countries. As a diversity of choice works to dilute the leverage of great powers, the framework could include mechanisms for tracking hegemonic influence in Southeast Asia by looking at the number of partners and the variety of opportunities available to Thailand and other ASEAN member states.

To pursue a hegemony prevention strategy, the United States should prioritize shoring up sovereignty in the region and getting behind the leadership of key states in mainland Southeast Asia, like Thailand. In other words, there would be a need to let others lead. A small step back from leadership positions could result in a great leap toward advancing American interests in the region. The United States is not particularly well-positioned to compete with China in mainland Southeast Asia. However, with strong carefully

balanced diplomatic ties and its status as the largest economy in mainland Southeast Asia, Thailand is well-positioned to shape the future stability and prosperity of the region. Moreover, In Laos and Cambodia, Thailand is seen as a more neutral actor in the strategic competition between the United States and China. This unique position allows Thailand to play a crucial role in maintaining regional resilience by ensuring that no one power comes to dominate the region.

Lessons from Ukraine

While Russia’s invasion of Ukraine is a distant conflict for the US-Thai alliance in terms of geography, many invitees expected that reverberations from the conflict would be felt much closer to home. One discussant inquired why Thailand had not condemned the Russian invasion of Ukraine, outside of ASEAN’s call for a ceasefire, and whether Thailand would join with other nations that were imposing sanctions on Russia. The querier qualified the question by saying that while it was not expected that Thailand would take an international lead on this issue, it would be encouraging to see Thailand issue more assertive statements as a close American ally. A Thai respondent cited Thai statements previously made during Russia’s invasion of Crimea, encouraging both sides to refrain from the use of force and comply with international law. The speaker understood that such a stance might not be as strong as some would like but reminded those assembled that Thailand maintains amicable relations with Russia across many sectors, including tourism, in which Russia was the third-largest source of revenue pre-pandemic. Subsequently, the Thai government’s stance is understandably cautious.

The discussion soon turned to the geopolitical ramifications of the Russian invasion of Ukraine. One commenter summed up the situation quite succinctly, asserting that the conflict made



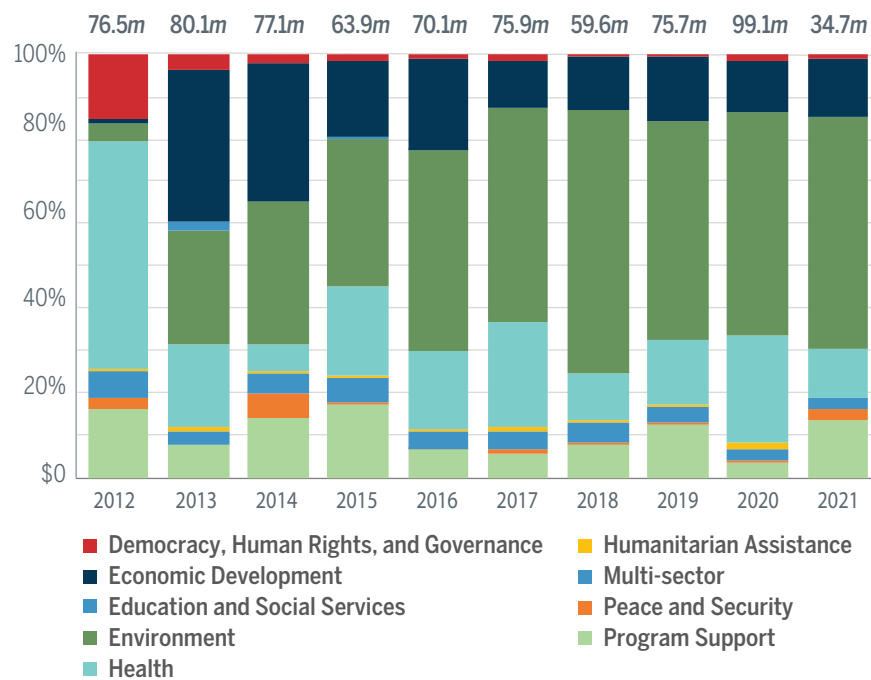


the world more dangerous for smaller middle powers and posited that it marked a return to an international order in which middle powers are dominated by the great powers closest to their borders. If so, it would add a new layer to the dynamic of the alliance as there would be a greater impetus for smaller states to shore up their sovereignty and their options through arrangements with distant partners. The commenter closed by asking if Russia is successful in redrawing Europe’s de facto borders, will other great powers become more aggressive in consolidating their spheres of influence. One entrant pointed out that as a middle power, Thailand had a lot to learn from Ukraine’s example and should take time to examine how Ukraine ended up in this position and the stance the country took vis-à-vis NATO and the United States.

As discourse continued, the entrant used the example of Ukraine to expound on the topic of uncertainty in the US-Thai alliance. According

to this entrant, Thailand is reluctant to take a firm stance on the side of the United States and NATO because it is unsure if the United States would render significant support should the fallout from the decision have adverse consequences in the future. Venturing into the hypothetical, the entrant asked, “If one day China or Russia were supporting a country clashing with Thailand, Myanmar, for example, what assistance would the United States be able or willing to provide?” The question framed the entrant’s worry that the United States would hesitate to fully back Thailand because Thai democracy features a monarch as the head of state and has a longstanding pattern of disruption and re-democratization. To conclude, the entrant encouraged the United States to dispel this uncertainty by affirming its acceptance of Thailand’s political identity and democratic ideology. One of the seminars facilitators enthusiastically commended this point, adding that if the United States could do this one thing, all the rest would be easier.

US FOREIGN AID TO THAILAND BY SECTOR



Source: ForeignAssistance.gov





As Partners in Security

As mentioned previously, some features of the alliance stalled or atrophied following the 2014 coup in Thailand. One conferee recollected that it was difficult for any service personnel above the rank of colonel to meet with their Thai counterparts until security cooperation was rebooted by Admiral Harris in February 2017. Relations continued to warm with a call and a meeting between President Trump and prime minister Prayut in May and October 2017 and a June purchase of Black Hawk helicopters by Thailand under the Foreign Military Sales (FMS) program. After a democratically elected Thai government took office in 2019, relations were revamped with the restoration of International Military Education & Training (IMET) funding and Thailand’s major FMS purchase of 60 Stryker infantry carriers.

A related perspective from another invitee was that the alliance’s post-2014 focus was to recapture lost ground and re-establish the status quo. During this period, relations were not ideal, but the agenda for security cooperation was very clear. Currently, US-Thai defense cooperation is wading into a new phase in which the security agenda is more complex and needs to be negotiated. Between the lull in military-to-military relations and finding the alliance’s footing in the new security architecture of the Indo Pacific, it may seem like the partnership is adrift, but this is not the case. In actuality, the US-Thai defense and security relationship is transitioning into a new phase of alliance building and modernization.

Traditional

The seminar discussion came to the consensus that interoperability gained through Cobra Gold, bilateral military exercises, and the use of common equipment enhanced the alliance’s ability to confront military and other security threats in the region and beyond.

Cobra Gold is a win-win situation for Thailand, the United States, and the region as a whole. A Shining moment for Cobra Gold was when the Multinational Planning Augmentation (MPAT) stood up for the 2014 Tsunami response shortly after the exercise concluded. To build upon this success, one speaker proposed expanding Cobra Gold into a regional-wide multilateral exercise by including more Indo-Pacific countries, especially nations from the Lower Mekong region, as active participants rather than observers. The exercise would also have an expanded scope to address areas of mutual concern, especially nontraditional security threats, such as climate change and the pandemic crisis. The speaker also suggested that Cobra Gold could be used to engage beyond military-to-military relations by including a parallel 1.5-track dialogue. However, a respondent cautioned against expansion, reminding the group that bigger is not always better. The respondent added that if Cobra Gold continues to expand, the purpose of the exercise needs to be reexamined. A key consideration of any expansion should be its benefit to the United States and all the partner nations involved. The respondent did concede that there were some expansion opportunities worth considering and put forth the idea of incorporating ASEAN members states into a second phase of Cobra Gold dedicated to humanitarian assistance and disaster response (HA/DR).



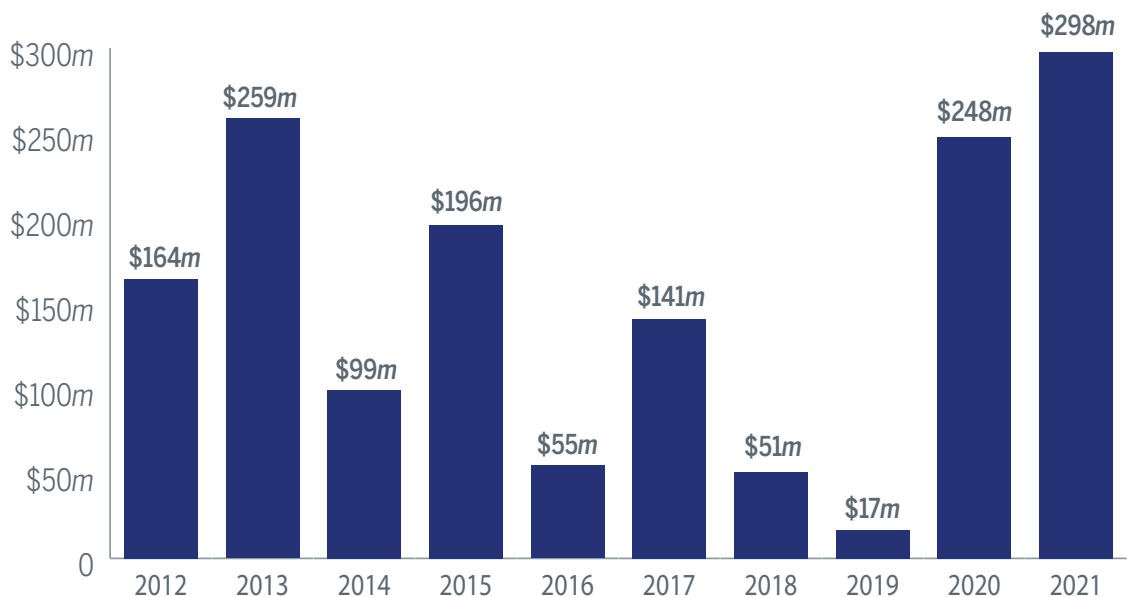


One discussant expressed optimism for expanding conventional defense cooperation in the future, adducing the Royal Thai Air Force’s interest in acquiring F-35 Joint Strike Fighters from the United States as evidence. The discussant said the purchase would serve to refresh the partnership and reinforce the shrewd decision that Thailand made to acquire F-16s more than 30 years ago. The discussant closed their remarks by noting that having the United States as a reliable supplier of military equipment saves Thailand the problems it has experienced attempting to mix and match equipment from different origins.

Another invitee also highlighted the importance of interoperability gained through the use of common equipment. To illustrate this point, the invitee used the examples of Hanuman Guardian, a US-Thai army-to-army exercise, and Thailand’s related FMS purchase of Stryker infantry carriers. The invitee emphasized that while Cobra Gold is a flagship military exercise that is important to US defense ties with Thailand and the region,

many US security cooperation goals are achieved through a multitude of other military exercises with Thailand, like Hanuman Guardian. Exercises like Hanuman Guardian truly help modernize the Thai armed forces. These exercises are longer in duration and cover a complex array of activities. Subsequently, during these military-to-military engagements, common equipment is utilized, and doctrine is developed. Moreover, extended military exercises help build strong relationships among service members and offer both sides of the alliance access to senior leadership. Recently, Hanuman Guardian has focused on integrating the Stryker into Thai military operations. The invitee stressed that military sales are more than just financial transactions; they are opportunities to help allies modernize and develop true interoperability with US forces. Developing Thailand’s Stryker capability is key to this end as the US Army revolves around the Stryker brigade concept.

US FOREIGN MILITARY SALES TO THAILAND (IN USD MILLIONS)



Years 2012-2016 Historical Fact Book 2021 Sales Agreements from the Defense Security Cooperation Agency (DSCA) Historical Fact Book 2016
 Years 2017-2021 Historical Fact Book 2021 Sales figures from the Defense Security Cooperation Agency (DSCA) Historical Fact Book 2021





Assisting Thailand with military modernization will continue to pay dividends to the alliance for many years to come. Before its most recent modernization effort, the Thai army was primarily equipped with Vietnam and Korean War era equipment from its last modernization, which took place in 1973. There is still a long way to go as the Thai army’s modernization program has only significantly impacted two battalions (600-2000 soldiers) out of 15 combat divisions (150,000-225,000 soldiers). The United States and Thailand continue to work Joint Vision Statement 2020 for the US-Thai Defense Alliance to expand cooperation in this area. The 2020 Joint Vision Statement for Thai-US Defense Alliance led to the signing of two agreements with the current Chief of the Army that expanded the scope of Hanuman Guardian and the US commitment to help with Stryker training.

The evolution of the warfight was a crucial point in discussions. The conferee who introduced the point acknowledged that directly addressing warfighting in reference to China is a politically sensitive topic for Thailand. However, the ability of the United States to maintain an effective deterrent in the region hinges on the survivability of its forces and their capacity to sustain the fight. In other words, US troops will need to withstand the brunt of the force China’s anti-area access denial (A2AD) strategy will bring to bear. While the United States cannot expect Thailand to completely align itself with US war plans and posture, the alliance provides room for discussion. Defense strategists and planners from the US and Thai sides should explore the dispersal and diversification opportunities US forces need to preserve a credible deterrent and how Thailand is willing to contribute to these opportunities.

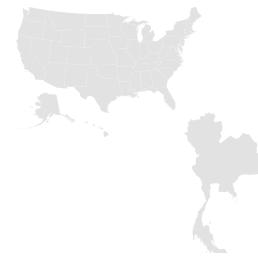
Nontraditional

Several points raised in seminar discussions straddled or bridged the gap between traditional and nontraditional security concerns. A prime example of these crosscutting issues was the suggestion to regionalize Cobra Gold by introducing a dedicated HA/DR phase to the exercise. Similarly, the same set of agreements that expanded the scope of the Hanuman Guardian exercise also allowed the United States to pre-position Stryker stock in Thailand to save money when conducting exercises. One of the invitees thought it would be prudent to explore building on these agreements to pre-position HA/DR equipment at U-Tapao Navy Airfield on the Gulf of Thailand, or another major air hub.

A seminar entrant stressed the necessity of digital engagement and cooperation in the broader geostrategic landscape. Joint ventures between Thai and US companies in digital technology and research and development (R&D) will allow Thailand to become a more robust security partner. The entrant specifically highlighted that US assistance to address security gaps in Thailand’s financial infrastructure could serve to increase transparency as well as Thailand’s ability to combat financial crimes and money laundering. Regionally, US-Thai cooperation on raising the digital capacity of the Lower Mekong sub-region will work to combat the smuggling of arms and drugs, the trafficking of people, cyber-attacks, vulnerabilities in health infrastructure, climate change, and energy scarcity. Thailand’s work to strengthen its digital capacity in terms of government policy and hard skills demonstrates a readiness to deepen bilateral and regional cooperation.

The issue of defending the information space, which is closely related to digital capacity, was also discussed at the seminar. An attendee stated that the US-Thai alliance should consider security cooperation in the





information sector to protect democracy and counter media manipulation. According to the attendee, facts can be hard to find in the social media era, and there are actors looking to exploit these uncertainties to disrupt our systems and undermine our economies. The ability to share and access credible information, even when it is politically sensitive, is a core pillar of democracy. Thus, it is worthwhile to explore how the United States and Thailand can work to ensure that the Fourth Estate of an independent media continues to provide the voting public with the critical information it needs to make wise decisions.

The seminar’s cadre of experts also identified cooperation between Thai and US law enforcement agencies as fertile ground for further cooperation. Concerning human trafficking, with US assistance, Thailand is on the verge of closing 200 cases this year. A Thai participant extolled the US State Department’s role in incorporating greater coordination with non-governmental organizations and civil society into Thailand’s trafficking investigations and victim protection efforts. The participant recommended that this type of model for cooperation be expanded.

The discussants considered how cooperation on military medicine could be expanded. One discussant suggested expanding the scope of the US Army Medical Directorate of the Armed Forces Research Institute of Medical Sciences (USAMD-AFRIMS) to include veterans assistance. From operations in the south, Thai military medical facilities have extensive experience with the wounded and trauma care. The United States also has substantial experience in this field. Thus, there is room for collaboration which could start simply by sharing best practices. Moreover, this program would work to generate goodwill within the alliance.

Maritime Security

An American conferee contended that regional integration of maritime security and the associated capabilities of maritime domain awareness is the one great project for the Indo-Pacific. This project is especially relevant to Southeast Asia as it contains many important sea lanes—not just the Straits of Malacca but also the Lombok, Makassar, and Ombai-Wetar Straits. The maritime initiatives currently in place should be renewed and strengthened. The US Department of Defense is a strong proponent of a more networked region. The building blocks for this endeavor are already in place. Promoting a networked region was one of the key pillars of the Trump administration’s Indo-Pacific Strategy Report. Moreover the Indo-Pacific Maritime Security Initiative (MSI) and other funding mechanisms are in place. Currently, a networked maritime security architecture has become more technically feasible than ever before, especially through advancements in autonomous reconnaissance and data sharing. Ultimately, it is now a political decision about the level of integration with which the parties are comfortable. As it stands, the challenge is to muster the political will to develop the connections that allow the United States and Thailand to move further along the spectrum of collectively sensing, sharing, and contributing to transnational challenges in the maritime domain. Progress on the endeavor will not only be a boon to bilateral relations but serve as a lighthouse for regional efforts.

A Thai respondent acknowledged the entreaty for greater maritime security cooperation and outlined the latest developments in Thailand’s maritime security strategy. The respondent stated that Thailand is not traditionally considered a maritime state. However, Thailand has recently begun to develop a dedicated maritime strategy. The National Maritime Security Plan (2015-2021) was the first time Thailand’s National Security Council developed a plan specifically





for the maritime domain. In line with Thailand’s increasing focus on maritime security, the Thai Maritime Enforcement Command Center (Thai-MECC), initially created as a coordinating center, was restructured as a command center in 2019. In its newest iteration, the Thai-MECC functions as the sea-focused counterpart to the Internal Security Operations Command (ISOC).

Another invitee proffered a more circumspect opinion on US–Thai Maritime cooperation. The invitee counseled the seminar to temper their expectations as the Thai Navy is not fully capable of a robust partnership in the arena of maritime security due to its lack of capacity. Adding to the point, a fourth discussant interjected that expanding maritime cooperation would be

difficult given China’s extensive funding of the majority of Thai naval capacity and limited maritime engagement with the United States compared to US engagement with the Thai army. To conclude, the invitee offered that the current opportunity is building Thailand’s maritime capacity through cultivating better relations between the US Navy and Coast Guard and their Thai counterparts. The United States should temper its expectations of the role of the Thai Navy in maritime security until it develops the capacity to act as a full partner. This guidance further supports the importance of developing a mutual understanding of capabilities within the alliance and keeping requests in line with this understanding.

MARITIME POWER OF US ALLIES IN THE INDO-PACIFIC

	THAILAND	AUSTRALIA	JAPAN	SOUTH KOREA	USA
Aircraft Carriers	0	0	0	0	11
Helicopter Carrier	1	0	4	0	0
Submarines	0	6	22	18	68
Cruisers	0	0	0	0	22
Destroyers	4	3	42	12	70
Frigates	7	8	3	12	0
Corvettes	7	0	0	11	21
Mine Warfare	5	4	22	11	8
Offshore Patrol Vessels	51	12	6	64	10
Amphibious Assault	12	3	3	10	33
Total Units	87	36	102	138	243
Average Hull Age	24.7	15.2	12.5	21	22.3
Naval Ranking*	20 th	19 th	6 th	5 th	1 st

Source: World Directory of Modern Military Warships (wdmmw.org), part of the network of sites that include GlobalFirepower and MilitaryFactory.
 *Out of top-ranked 33 global navies





As Trade and Investment Partners

To open the discussion on trade, a conferee stressed the need for the United States to get its trade and economic policies in order. According to the conferee, the economic foundation for US engagement with Thailand, as well as the Indo-Pacific as a whole, had been missing for the past two US presidential administrations. Trade and economic issues are the region’s lifeblood and an important barometer for US commitment to the region. As opening the US market has been taken off the table, the Indo-Pacific Economic Framework seems like an empty vessel. Thus, the question of what the United States can offer Thailand and other partners in the Indo-Pacific in terms of economic engagement remains. Even with these concerns, the conferee was ultimately optimistic about the opportunity to fill this empty vessel and encouraged Thai partners to voice their interests and vision for what they would like this agreement to become.

Despite the current challenges in developing a comprehensive economic framework for the region, the discussants suggested steps that could be taken to move US-Thai economic relations forward. One commenter stated that the United States could assist Thailand by providing private-oriented and high-value investments. This statement closely aligns with a suggestion to spur on bilateral trade, US-Thai capital flows, and regional supply chains by upgrading the 2002 US-Thailand Trade and Investment Framework Agreement. This suggestion was originally outlined in an article in the special Asia Pacific Bulletin (APB) series on the US-Thai Alliance entitled The Prospects of Thailand-US Economic Cooperation. The commenter also encouraged the United States to quickly implement and scale the Bring Back Better World program in the region as BRI will become more appealing if the rollout is too slow or too narrow in scope.

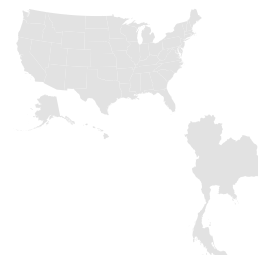
US COMPANIES IN MEKONG COUNTRIES



A participant shared Thailand’s recent success courting American tech investors. Last year, Thailand rolled out its 5G network, which provides ample opportunities for US companies to expand in the Thai market. To that point, Cisco recently launched a digitization program in Thailand to accelerate the digital and creative economy in the Silicon Tech Park, located in Thailand’s Eastern Economic Corridor (EEC). Cisco’s program in Thailand will drive various initiatives in healthcare, 5G, smart cities, and cybersecurity. The EEC has already reserved twenty acres of land for a US tech dep and invited Hewlett-Packard, Oracle, and IBM to set up operations.

Source: Uniworld Business Publications (accessed August 2022)





THAI FDI IN THE UNITED STATES (IN USD MILLIONS)

	2016	2017	2018	2019	2020
Position (UBO)	\$2,132	\$2,349	\$2,253	\$1,847	\$1,809
Flow	\$711	-\$713	-\$298	-\$261	-\$56

US FDI IN THAILAND (IN USD MILLIONS)

	2016	2017	2018	2019	2020
Position	\$18,386	\$15,578	\$16,415	\$17,628	\$17,450
Flow	\$1,772	\$1,041	\$1,317	\$1,178	\$324

Source: SelectUSA International Fact Sheet-Thailand, SelectUSA is an initiative of the US Department of Commerce, within the International Trade Administration.

One invitee sought to direct US-Thai economic collaboration towards four major sectors within Thailand’s bio-circular-green (BCG) economy—the Thai government is promoting the BCG economic model as a new economic model for inclusive and sustainable growth. The first sector was the manufacture of biochemicals and bioplastics. These products are used to create high value-added products and thereby increase the productivity of the Thai economy.

The second sector was the production of electric vehicles. The third sector is the carbon exchange market in Thailand. The fourth and final sector identified by the invitee was the hemp and cannabis industry, specifically expanding production into the areas of biofabrics and cosmetics.

Participants also identified energy as an economic sector that stood to benefit from increased US-Thailand cooperation. Gains are already being made in this area. For example, at the 2022 United States-Thailand Energy Policy Dialogue hosted by

the Thai government, US corporations signed the Clean Energy Demand Initiative (CEDI), an effort to increase corporate commitment to clean energy investment.

A discussant also described emerging areas of cooperation in the digital economy. Thailand has become a regional financial hub for Mainland Southeast Asia as the widespread use of Thai currency results in extensive financial transactions in all directions. Cross-border financial transactions have been further intensified due to the rapid expansion of e-commerce and Thai investment in neighboring countries. The United States is well-positioned to leverage its experience in international financial transactions by providing technical assistance and capacity-building programs to Thai financial regulators in the government and private sector. Following the same logic, a program aiming to help Thai small and medium enterprises close the digital divide through increased financial literacy would also be beneficial.



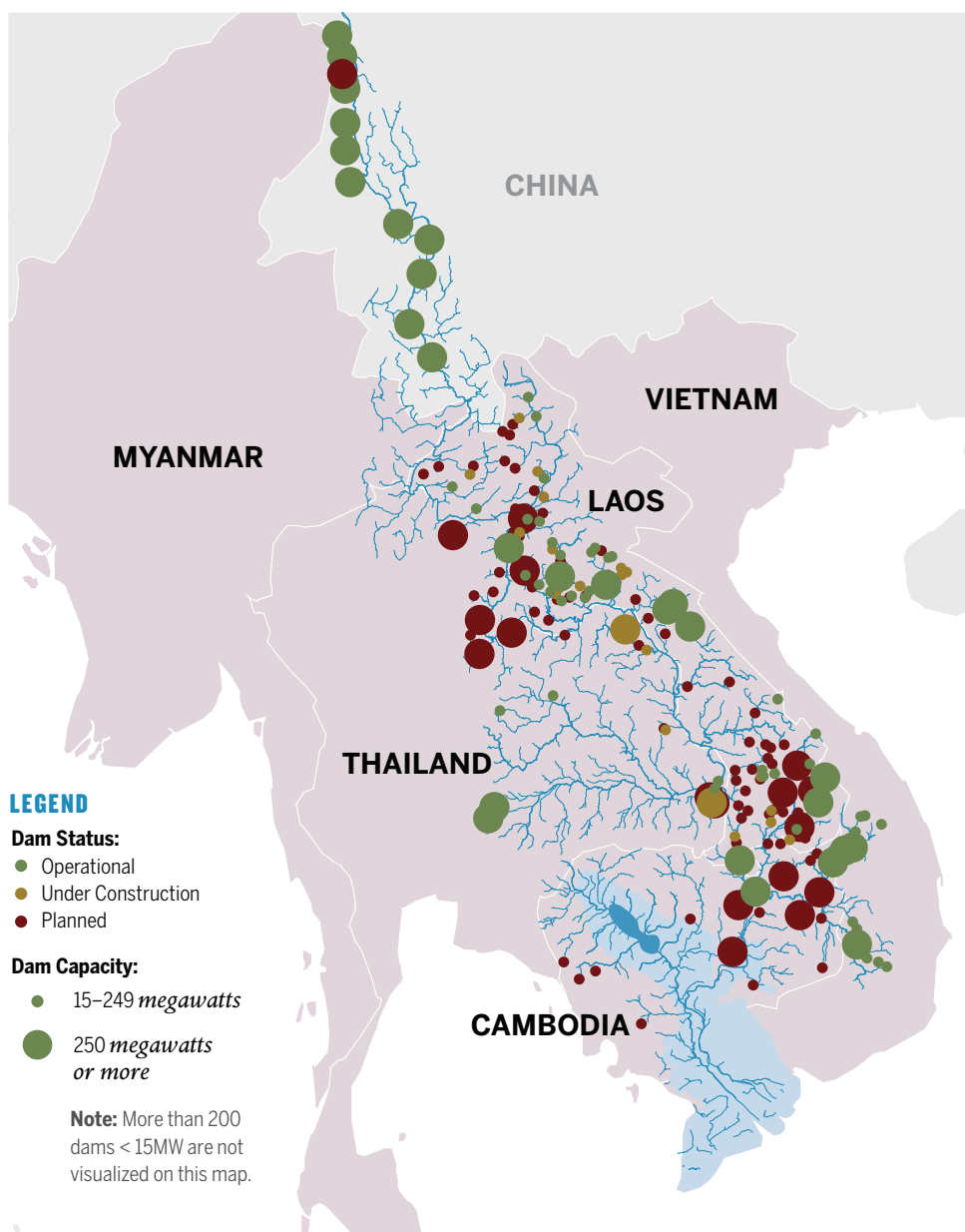


Partnership on The Mekong

As it relates to the US-Thai alliance, the issue of the Mekong subregion has undergone a considerable amount of evolution. As a part of Washington’s reengagement of Asia under the Obama administration, the United States joined Thailand and three other Southeast Asian

nations to launch the Lower Mekong Initiative (LMI) in 2009, which Myanmar later joined in 2012. However, as a seminar participant maintained, the Mekong was not an issue of significant interest in Washington before 2018. In 2018, a 1.5-track dialogue organized by the

MEKONG RIVER BASIN - OVER-DAMNED, UNDER-COORDINATED



The Mekong Matters for America (2020); Stimson Center, 2019





Asia foundation identified the Mekong River as a point of shared strategic interest between the United States and Thailand. Still, the Mekong was not at the forefront of US policy discussion until the release of a 2020 report asserting that Chinese upstream dams were exacerbating drought downstream in Southeast Asia. As the report received LMI funding, it highlights the importance of cooperation in Mekong data monitoring. While this report garnered significant political attention and work on this issue is important, a participant reminded the seminar that the moment of discovery has passed and energy surrounding Chinese activities on the upper Mekong has dissipated. Therefore, the alliance will need to find other issues to drive cooperation forward in the Mekong Subregion.

In the span of four years, the Mekong has become a critical issue in Washington. Resultantly, the United States sought to revamp and rethink the mechanics of its regional engagement. For example, the Mekong-US Partnership, which was launched in 2020, builds upon the successes of the LMI and expands US engagement with the region. As the United States works to strengthen its connections to the Mekong Subregion, Thailand's importance as a partner in the region is growing. The Mekong is an area where the United States is advancing its aims by stepping back and sharing the burden of leadership with Thailand. The 2021 strategic partnership between the US Agency for International Development (USAID) and the Thailand International Cooperation Agency (TICA), which jointly offers development assistance to other Southeast Asia nations, exemplifies this dynamic. Noting this endeavor, a conferee commended American efforts to bolster Thai leadership in influencing and stabilizing Mainland Southeast Asia. The conferee felt that US-Thai trilateral cooperation in the Mekong subregion was extraordinarily productive and is critical in helping the alliance find its footing in this new era of relations.

According to one discussant, Thai and US security concerns converge along the Mekong River. The discussant cited that the Thai Navy acted very decisively to prevent the expansion of China's brown water navy further south on the Mekong River by lobbying against a rapids blasting project that would have opened the channel to larger ships, which Thailand canceled in early 2020. The decision was purportedly made for environmental reasons. However, the discussant contended that security concerns were at the forefront of the decision. Within this framing, the weight Thailand attributes to the securitized aspects of its relationship with China is readily apparent, especially considering the vested interests influential commercial actors had in increased cargo traffic on the Mekong.

Outside of strategic priorities, water management, and security concerns, discussants highlighted several other avenues for US-Thai cooperation in the Mekong subregion. An invitee implored the group to keep in mind that the United States and Thailand both need to find solutions to the challenges of climate change, drought, and extreme weather. These challenges are opportunities for systematic cooperation between the alliance partners spanning government, the private sector, and research institutions. However, one hurdle to effective cooperation is that US and Thai institutions tend to march towards different climate and environmental goals. Therefore, greater coordination among these US and Thai institutions would be a significant boon to addressing environmental challenges in the region.

For several reasons, the development of east-west transportation and commercial lanes was flagged as a vital area for US-Thai cooperation. First and foremost, developing these lanes allows the United States to support Thailand's role as ASEAN's logistics hub, once again highlighting the stabilizing effect of Thai leadership in



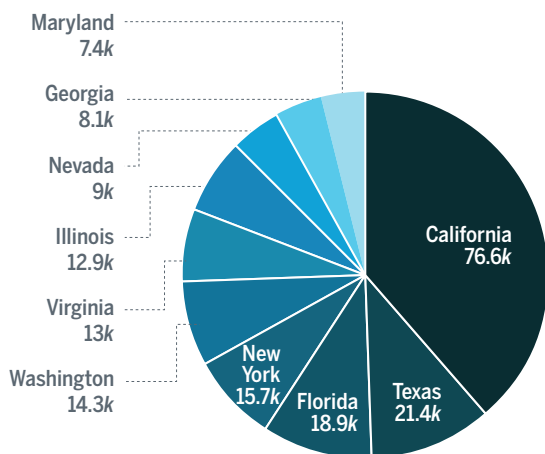


Mainland Southeast Asia. Secondly, these supply lanes create more resilient supply chains and diversify the region’s economic links. While North-South arteries support connectivity with China and tend to rely on rivers, the governance of which can be contentious at times, the development of horizontal commercial corridors provides better access to India and other South Asian markets. It also necessitates regional cooperation on roadway and rail projects. Third, it is an opportunity to demonstrate how mini laterals, like the Quadrilateral Security Dialogue (Quad), serve to complement the alliance rather than compete with it. All the Quad’s members—Australia, India, Japan, and the United States—have Mekong-focused initiatives and have collectively provided more than \$48 billion in official infrastructure financing to the Indo-Pacific since 2015. Thus, the newly created Quad Infrastructure Coordination Group should work to harmonize and integrate Mekong projects in consultation with the region, especially leaders like Thailand.

People to People

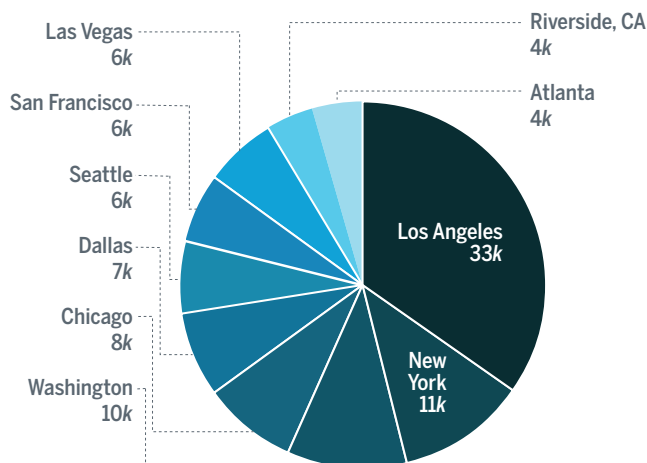
Many portions of the seminar touched upon the importance of people-to-people ties. It was a general point of consensus that there is room for improvement in people-to-people ties at all levels of the alliance, ranging from the government to the public arena. An adducer for this issue shared a scenario where the American military had trouble obtaining permits for planes to land in Thailand for important military missions during the weekend. The adducer expressed surprise at the issue given the longstanding military relationship between Thailand and the United States. The problem was quickly rectified once senior-level officials got involved. However, the example highlights the gaps in people-to-people connections at the implementation level of the alliance. In another example, the adducer lamented learning that the US and Thai staff at the Shangri-La dialogue had not met outside the meeting’s official framework.

TOP 10 US STATES BY THAI POPULATION, 2019



Source: ASEAN Matter for America-State Fact Sheet; US Census Bureau, American Community Survey.

TOP 10 US METROPOLITAN AREAS BY THAI POPULATION, 2019



Source: Thai in the US Fact Sheet, Pew Research Center.





To address this problem, the adducer suggested adding mechanisms to the alliance’s already well-developed meeting structure to regularize contact outside large formal settings as circular growth comes with frequent dialogue.

A related point can be found by revisiting a conferee’s comment on the moratorium on visits by senior-level military officers after Thailand’s 2014 coup. The conferee emphasized how important it was to restart these visits and applauded the continuance of in-person meetings despite the challenges of COVID-19, highlighting trips by General McConville and Secretary of the Army Ryan D. McCarthy. These visits are extremely important, especially on the Thai Side. In order for the alliance’s agenda to move forward, conversations have to happen between strategic dialogues. Moreover, visits are an important visual optic that shows the United States prioritizes

the alliance and values broader relations with Thailand.

Another point raised was the soft power the United States could generate from supporting and promoting the digital capacity of Thailand. In addition to strengthening economic ties, this cooperation sector could be essential in achieving closer cooperation between the Thai and American people. Young Thais are looking for opportunities to become a part of and begin startup activities. A multitude of emerging sectors can be leveraged to this end, including digital health, precision medicine, ecological analysis, and data analytics. There is an echo effect in cultivating people-to-people ties in the tech sector as FDI and business relations both engender and benefit from deeper interpersonal connections.



Source: East-West Center and US State Department





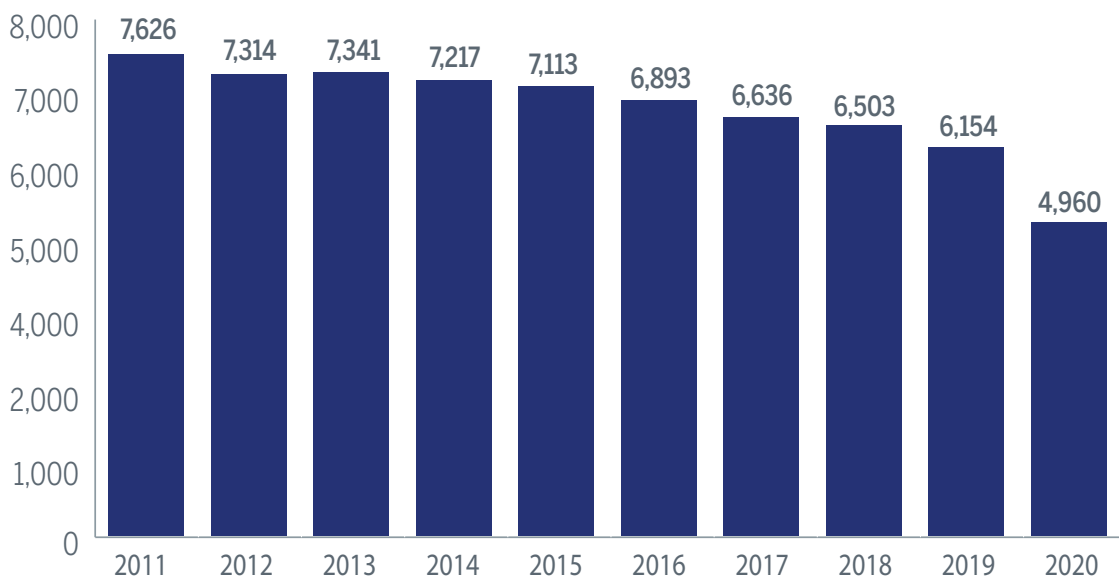
Education

Within the theme of people-to-people ties, discussants raised several points related to education. A participant stated that new forms of educational outreach are needed. In addition to the fact that Thai public attention and imagination are much broader than during the Cold War, the participant also flagged falling numbers of Thai tourists and students coming to the United States. The Young Southeast Asian Leaders Initiative (YSEALI) was acknowledged, but its impact is reduced by being predominantly US-driven and having limited reach within Thailand.

The role of military education programs was also discussed. Thailand is the first Southeast Asian nation to be able to send its officers to the Joint Readiness Training Center (JRTC). With US assistance, Thai combat forces deploy to a world-class training center and operate

alongside US forces. In concert with supporting the modernization of the Thai military and interoperability between Thai and US armed forces, the program also builds interpersonal connections and a sense of comradery. The US International Military Education and Training program was touted as the best strategic tool the United States could leverage in support of the alliance. To this point, IMET graduates include four previous Thai Prime Ministers, 14 Thai defense ministers, and 300 general officers in the Thai armed forces. These programs deserved to be expanded. However, a hurdle in achieving this is English language capacity on the Thai side, especially in the security services. Thus, it is imperative to push forward English language training programs at the Thai military academies.

Number of Students From Thailand Studying in the United States





Public Diplomacy

Several speakers addressed competition within the information space and US-Thai public diplomacy efforts. A participant underscored the need to have more American publications on doctrine, international relations thought, and foreign affairs translated into Thai. Unfortunately, there is a dearth of accessible material written from the American perspective on US relations with Thailand and the region. This is a stumbling block in building better understanding with the Thai people. It needs to be addressed in order to build a better alliance. The participant suggested developing a robust American Cultural Center in Bangkok to address this problem, with smaller satellite centers in the north, south, and east of the nation. The participant held up the Korean Cultural Center in Downtown Bangkok as an example.

Multiple participants remarked on the quality and importance of the *Great and Good Friends* cultural exhibit. There was a general agreement that there

were many more opportunities to highlight important stories in US-Thai relations. For example, in May, the US embassy in Thailand and the United Service Organizations plan to dedicate a plaque to the 300 Americans, most of whom were from the state of Texas, that died in Thailand at the prisoner of war camp in Kanchanaburi. Other American service members died in the line of duty in Thailand. In the ‘60s and ‘70s, about a dozen Americans lost their lives during counterinsurgency operations or training incidents. A particularly heroic example was Wally Gums, an African American soldier who died protecting school children in 1968 in Khorat, Thailand. On the Thai side, the veterans of the Thai volunteer battalions that fought communist insurgents, in concert with American operations, during the Laotian Civil War do not get the recognition they deserve. These stories need to be disseminated more broadly across the public spheres in both countries.



Source: US State Dept



“The exhibit is a celebration of the events and ideas that bind our two nations—our shared values as much as our shared achievements.”

- Glyn T. Davies, U.S. Ambassador to Thailand



APPENDIX:

Asia Pacific Bulletin Special Series



In this special APB series, the East-West Center in Washington and Royal Thai Embassy, Washington, D.C. bring together eminent scholars and experts to discuss opportunities to enhance US-Thailand relations and cooperation in the Indo-Pacific.

Revitalize the Thai-US Alliance by Tackling 21st Century Challenges: Let's Start by Working Together to Address Marine Plastic Debris

■ Ambassador (retired) Piper Anne Wind Campbell, Adjunct Professorial Lecturer at American University and former Chargé US Mission to ASEAN, explains that “in both countries, it seems, our younger populations are not aware of interesting joint initiatives that could inspire a greater sense of collaboration and alliance. The solution is to go beyond a defense emphasis and to revitalize the Thai-US. alliance by tackling 21st century challenges.”

Many Americans have a favorable impression of Thailand. This is shaped among other things by the fact that Thailand—host of approximately 35 million tourists per year pre-COVID—is one of the Asian countries most visited by US travelers. No one can visit Thailand without falling in love with its beauty, people, culture, and food! However, few Americans are aware of the full history of the 200-year US-Thai relationship of “great and good friends.” Indeed, when I ask my graduate students to list America’s treaty allies in the Indo-Pacific, they invariably leave out Thailand. They may have heard of the Southeast Asia Treaty Organization’s 1954 Manila pact, but they are surprised to learn of the 1833 Treaty of Amity and Commerce and that President George W. Bush designated Thailand a major non-NATO ally in 2003. And, none know that the *Joint Vision Statement 2020 for the US-Thai Defense*

Alliance envisioned a *21st Century alliance* “[enabling] stability, prosperity and sustainability in the Indo-Pacific region in support of an inclusive and rules-based international order.”

Thai University students also lack information about the relationship. In one 2018 study conducted by the American Studies Association in Thailand (ASAT), 60% of the Thai university students participating characterized Thai-US relations as only at the average level. Responding to another question, 56% of the students agreed that “the US was once a good friend, but today is not as close to Thailand.” In both countries, it seems, our younger populations are not aware of interesting joint initiatives that could inspire a greater sense of collaboration and alliance.

The solution is to go beyond a defense emphasis and to revitalize the Thai-US alliance by tackling 21st century challenges. Not only are these challenges important in their own right, but we also know these concerns are of particular interest to younger generations in both Thailand and the United States. Listening to Dr. Panate Manomaivibool of Mae Fah Luang University on a recent Wilson Center panel about engaging citizen scientists to address marine debris, I was struck that this is the perfect area for US-Thai engagement. Already a problem pre-COVID, the pandemic has sidelined pollution abatement efforts and introduced an extraordinary new demand for single-use plastics, especially personal protective wear, such as face masks and gloves. Two startling statistics: COVID-19 triggered an estimated global use of 129 billion face masks and 65 billion gloves per month. In Bangkok alone, plastic waste surged 62% in just one month at the height of the pandemic.

Pre-COVID, approximately 9 million tons of plastic entered the world’s oceans annually. This transboundary problem already threatened





not only marine wildlife and coastal ecologies. It was recognized as a threat to human health and livelihoods on a global scale. In 2018, leaders of the countries which are members of the East Asia Summit (EAS) including the US and Thailand issued a Statement on Combating Marine Plastic Debris. As the acting US Ambassador to ASEAN during the negotiations leading up to that statement, I can affirm that there was strong recognition among ASEAN members and their partners that the stability of the maritime area that anchors the region's growth was threatened by the marine plastic debris already present.

At that time, both the Thai and US governments were already talking about marine plastic debris as a serious problem. Chagrined to be listed among the countries producing the most marine plastic debris, the Royal Thai Government declared waste management a national priority and appealed to Thai citizens to lead a more eco-friendly lifestyle. In 2020, Thailand banned single-use plastic bags at major stores. Before COVID hit, the government's goal had been a wholesale ban of single-use plastics in 2021.

Stateside, the US Congress passed the Save our Seas Act in 2018, which reauthorized and amended prior legislation to promote international action to reduce marine debris. In 2020, the executive branch released a U.S. Federal Strategy for Addressing the Global Issue of Marine Litter. Although the Federal Strategy was a positive step forward, the document's tone was unhelpfully blaming: emphasizing Asia as a source of marine debris and calling out China as both the largest producer of plastic and the largest source of global plastic leakage. In a more positive vein,

also in 2020, Congress unanimously adopted Save our Seas 2.0, establishing a Marine Debris Foundation and a Genius Prize for Save our Seas Innovations, as well as further emphasizing the importance of domestic and international efforts. And then COVID hit, and these concerns and efforts were placed on the back burner. Now, President Joe Biden is re-emphasized climate and environmental concerns. Indeed, in a marked change from earlier US positions, Biden joined other G-7 leaders this summer in agreeing to a Nature Compact which included "stepping up action to tackle increasing levels of plastic pollution in the ocean." In the G-7 statement, in addition to the option of strengthening existing instruments, the idea of a potential new agreement or other instrument to address marine plastic litter is referenced. I welcome these new ideas. But, having worked in the diplomatic sphere for 30 years and participated in the arduous process of negotiating an addendum to a treaty, I know just how time-consuming this might be.

In the meantime, joint work on plastic debris makes tremendous sense as a US-Thai priority. It speaks to the existential and environmental concerns of young Americans and young Thais. It acknowledges the importance to Thailand of preserving its beautiful coastlines in support of the tourism I referenced earlier. And, it recognizes that what already was a big problem has grown exponentially as an offshoot of COVID. Two existing mechanisms—the Young Southeast Asian Leadership Initiative (YSEALI) and the Mekong-US Partnership launched in 2020—would be natural vehicles for building engagement.





How to Move the Thailand-US Strategic Alliance Forward

■ **Dr. Darmp Sukontasap**, Director, Institute of Diplomacy and International Studies, Rangsit University, Thailand, explains that “gone are the days when an alliance is viewed exclusively from the security and military perspective. The geopolitical realities of the 21st century require alliances to encompass agendas which are non-military, non-political and non-confrontational.”

The Thailand-US Strategic Alliance is often framed by the connections established across the almost 190 years of diplomatic relations between the two countries, including (1) Thailand being the first country in Asia to sign a Treaty of Amity and Commerce with the United States, (2) how American political support facilitated Thailand’s speedy admission into the United Nations at the end of World War II, (3) the Thanat-Rusk communique of 1962, (4) the four decades of the Cobra Gold military exercise begun in 1982, and (5) Thailand’s designation as a major non-NATO ally (MNNA) in 2003 by President George W. Bush.

These accomplishments are indeed an impressive testament to the long and close relationship between Thailand and the United States. But history, at its best, can only serve as a foundation for bilateral relations. At times, it can also serve as a good indication of the trend for the future relationship. However, it will take a concerted effort by the two countries to ensure that the Strategic Alliance maintains strong forward momentum into the next decade. Similarly, intentioned guidance will be required if the Strategic Alliance is to retain its value as a practical tool for the two nations to effectively navigate the increasingly complex challenges of the future, both at the regional and global levels. Therefore, while we speak of the special

relationship of the past with fondness, it is imperative that both Thailand and the United States make serious efforts to invest in strengthening their existing friendship, while finding new ways by which and new areas in which cooperation can be deepened. To deepen cooperation, both Thailand and the United States need to be forward looking with a broad perspective that considers the modern-day ecosystem of which the Alliance is now a part. Gone are the days when an alliance is viewed exclusively from the security and military perspective. The geopolitical realities of the 21st century require alliances to encompass agendas which are non-military, non-political and non-confrontational.

The cornerstone of an alliance is the joint vision of its members. The word “strategic” in “strategic alliance” does not intrinsically refer to military or security cooperation. Instead, “strategic” defines the “how” of realizing common goals.

In fact, the visions and goals that the United States and Thailand have for themselves as nations, and for Southeast Asia as a region, are not that far apart. Such visions and goals are very similar, peace, prosperity, well-being for the people, respect for democratic principles, human rights, gender equality, environmental conservation, and others. These are the shared visions and goals of the two countries. These are the things that both countries want to see in Thailand and in Southeast Asia in the years to come.

It is a journey from where they are today to where they want to be or aspire to arrive at in their relationship. If the two countries can agree on this point, then they can start to discuss the “how” or the “strategy” to make things happen. The “how” would also tell us what needs to be strengthened, or what needs to be fixed, before the two countries can move forward at full speed.



The important thing is, before the “how” can be articulated, the two countries would first need to agree on a set of priorities that they want to address, promote or resolve. To this end, perhaps a good place to start would be defining some issues of common concern.

Areas for cooperation and coordination include: the direction of political, democratic, economic, and social developments in Thailand and the region, the widening income disparity among the various segments of the population, the current “systematic” mass migration and human trafficking in Southeast Asia, the increasing political and military tensions in the region—especially in the South China Sea, pollution, water resource management and climate change in the Mekong region, cybersecurity. This is not an exhaustive list. There is a plethora of points where Thai and US interests intersect.

Thailand and the United States can start by picking a few issues from the list above or the United Nations’ Sustainable Development Goals (SDG) agenda and turning them into tangible, achievable and measurable projects.

But, in discussing “how” Thailand and the United States should jointly deal with these pressing issues, there needs to be some ground rules. Although the term alliance does not imply equality, it does imply mutual trust and respect. No two countries are the same, as far as history, culture and experience are concerned. Thailand respects and admires the United States for its democratic values and principles. However, the fact is, due to its own unique historical and cultural experience, Thailand will never be

completely like the United States, no matter how much of the international principles and standards it adopts.

Therefore, in order to promote better understanding between the two countries, as their respective societies and thinking continue to evolve, the most important commodity that both sides need to invest in each other is “time”. There needs to be more regular informal and formal dialogues at all levels, in areas such as diplomacy, economy, trade, security and the environment.

Aside from understanding each other better, the dialogues would also help the two countries identify commonalities and shared interests, and, hopefully, help each other find novel and creative solutions to address issues of common concern. The responsibility lies on both countries to ensure that they bring value to the table, in whatever they think or do, and that they have realistic expectations of one another. If Thailand says that it is of important “geostrategic” value to the United States, it will have to be able to elaborate on and demonstrate its importance. If the United States says that it values the strategic partnership between the two countries, perhaps a greater investment of time and an increase in communication is warranted.

It is only through the re-examination and recalibration of the Thai-US Alliance, together with the injection of new thinking, openness, and increased communication that we can ensure the relevance of the Alliance well into the next decade and take full advantage of what the Alliance has to offer.



Sustainable Infrastructure Offers Opportunities for US-Thai Cooperation

■ Courtney Weatherby, Deputy Director and Research Analyst for the Southeast Asia and Energy, Water, & Sustainability programs at the Stimson Center, explains that “Thailand’s forward-looking focus on climate resilience provides ample opportunities for bilateral collaboration with the United States.”

Southeast Asia faces the simultaneous challenges of closing an estimated \$2.8 trillion funding gap for critical energy, transportation, and other physical infrastructure needs through 2030 while ensuring that its infrastructure is resilient to the growing threat of climate change. The national energy plans of the ten members of the Association of Southeast Asian Nations (ASEAN) anticipate that cumulative energy demand will rise 60% between 2019 and 2040. Even as countries rapidly build out new power generation and transmission, existing projects face new risks from climate change. Among the world’s top ten nations most vulnerable to climate change, the Germanwatch Climate Risk Index includes three ASEAN countries, Myanmar, the Philippines, and Thailand. Thai policymakers have increasingly prioritized climate resilient and sustainable infrastructure domestically, and this provides opportunities for coordination with the United States on both national and regional sustainable development efforts.

Thailand has been a regional leader on sustainability for decades, particularly in the energy sector; it was an early investor in renewable energy targets, adopting tariffs to support solar and biomass technologies as early as 2007 and repeatedly adjusted policies in line with market shifts. By 2017 Thailand had already met half of its renewable energy target for 2036 for solar and wind power, and the government has consistently expanded renewable energy targets in subsequent power plans. Thailand is currently investing in pilot projects for on-grid battery storage, pumped hydropower storage, and electric vehicles and is scaling up floating solar capacity.

In August 2021, Thailand published a plan to achieve carbon neutrality by 2065. Progress towards this target will require steady and significant investments in renewable energy and modern grid technologies. Thai policymakers are aware that this will require massive investments in additional power generation, modern grid technology upgrades, as well as changes in operating the grid and managing demand. Thailand will need to expand investment in this space while simultaneously balancing investment in climate resilient urban infrastructure and improved connectivity with neighbors.

Thailand’s forward-looking focus on climate resilience provides ample opportunities for bilateral collaboration with the United States. The Biden Administration has prioritized climate considerations in foreign policy initiatives. Similarly, attention to the physical infrastructure needs of the Indo-Pacific, characterized by the overhaul of the Development Finance Corporation (DFC) under the Trump administration, continues under Biden. There are many opportunities for direct technical, policy, and capacity building assistance and collaborative pilot projects in Thailand. These opportunities relate to the integration of variable renewable energy into the grid; both financing and policy approaches to support widespread and successful deployment of rooftop solar; cross-border electricity trading; and deployment of battery technologies on the grid.

The United States has a wealth of technical assistance programs that target energy and infrastructure initiatives in the region, including but not limited to Asia EDGE, the Infrastructure Transaction Assistance Network, and the Commercial Law Development Program. Assistance can take the form of broad planning assistance—such as to collaboratively model multiple scenarios of infrastructure development to consider transboundary and multi-sector impacts—or through helping to identify and address regulatory challenges. Regulatory challenges are often a key obstacle to the deployment of private investment in



infrastructure projects. Ensuring up-to-date regulations on the specific restrictions, terms surrounding renewable energy technologies, zoning, and power purchase agreements can be key to ensuring bankability for sustainable infrastructure projects.

Beyond bilateral cooperation, there are opportunities for Thailand and the United States to coordinate on regional initiatives related to infrastructure development. Thailand is a natural partner as it is a major regional investor in infrastructure in neighboring countries: Thai companies are involved in 60% of the existing power projects in Laos, and Thai companies and banks play a smaller but still noticeable role in the other three Mekong countries. In 2018, Thailand took the lead in revitalizing the fifteen-year-old Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy—commonly called ACMECS—and brought a local emphasis on infrastructure needs into the public discourse about regional cooperation. While ACMECS shares many targets with existing regional economic initiatives, it is led by local Mekong decisionmakers and provides a relatively independent list of priority areas for investment and assistance to the international community. The 5-Year ACMECS Master Plan (2018 – 2023) identifies three general pillars of engagement: Seamless Connectivity; Synchronized ACMECS Economies; and Smart and Sustainable ACMECS. Each pillar includes an infrastructure component, either in the form of physical infrastructure, financial cooperation through an ACMECS Fund, or the development of human resources in modern energy technologies or climate resilient planning approaches.

In December 2020, the five ACMECS countries held a virtual summit which squarely identified both immediate areas for collaborating on public health in relation to the COVID pandemic as well as post-pandemic economic recovery. Chief among the initiatives to push forward on concrete collaboration is the establishment of an ACMECS Development Fund, which will help

provide financing for development projects that have been identified in previous dialogues. The United States and other development partners have indicated interest in contributing funds to this effort. An important secondary goal was to proceed with establishing Coordinating Committees as well as an ACMECS Secretariat for internal and external coordination. While the chairmanship of ACMECS rotates, the United States and Thailand can take advantage of existing ACMECS programming and Bangkok's bilateral initiatives to support priority areas identified through ACMECS while also meeting US commitments to high-quality infrastructure.

Through the joint provision of training to regional stakeholders, the United States and Thailand could work to scale up domestic technical assistance on things like renewable energy certification processes or battery storage grid connection management. Collaborative training has previously been done with Singapore through the Third Country Training Program. There are benefits to supporting regional offices in Bangkok, and Thailand's role as a sustainability leader, and its interest in being an electricity trading hub as the region moves towards an ASEAN Power Grid.

The DFC—which is the primary government vehicle for supporting private sector investment in countries abroad—could utilize funds in coordination with ACMECS to support projects that meet high-quality infrastructure requirements. Asia is underrepresented in current DFC projects. The Biden Administration has also prioritized development of a Climate Finance Plan. If regional conversations like the Mekong – US Partnership Track 1.5 Policy Dialogues or ACMECS can identify projects that meet regional needs and high-quality infrastructure standards, then the DFC could help catalyze private sector investment from American companies to support sustainable development goals and broader US foreign policy interests in Thailand and beyond.



The Prospects of Thailand-US Economic Cooperation

■ **Dr. Kaewkamol Pitakdumrongkit**, S. Rajaratnam School of International Studies (RSIS) of Nanyang Technological University, Singapore, explains that “data runs contrary to the perception that Bangkok is leaning towards Beijing ... Thailand embraces American economic clout while dreading its Chinese counterpart.”

Thailand-US linkages are centuries old. Both states signed the 1833 Treaty of Amity and Commerce to formalize diplomatic relations. During the Cold War, they became closer via alliance frameworks, namely the 1954 Southeast Asia Treaty Organization and the 1962 Thanat-Rusk communiqué. While the 2014 military coup has strained relations to some degree, the visit by the Thai Prime Minister Prayuth Chan-o-cha to the White House in October 2017 restored high-level contact. In July 2019, the State Department affirmed that Bangkok is run by a democratically elected government, further reviving ties. Thai-US bilateral economic relations are going strong. For instance, the United States is Thailand’s number one export destination, constituting 12.72% of the nation’s total exports in 2019. In terms of imports, the United States is Thailand’s third largest partner. Between 2015-2019, the United States accounted for 7.41% of Thai imports, behind China (21.12%) and Japan (13.97%). This trade pattern is partly fueled by the 2002 US-Thailand Trade and Investment Framework Agreement aimed at liberalizing trade and investment.

What are the future prospects of Thai-US economic collaboration? To effectively shed light on this question, one must take into account the US-China strategic rivalry. Beijing has been using economic tools to advance non-economic interests. For instance, the Belt and Road Initiative (BRI) faces criticism over non-transparency and pervasive involvement of Chinese state-owned enterprises. Moreover, skeptics perceive BRI as

a lever by which Beijing can infringe upon the sovereignty of other states. The 99-year lease of Sri Lanka’s Hambantota Port to China and the Chinese financed Vientiane-Kunming high-speed railway project have exacerbated angst about sovereignty.

The United States has framed approaches to commerce as part of the US-China contest. According to the 2017 National Security Strategy, “China seeks to displace the United States in the Indo-Pacific region, expand the reaches of its state-driven economic model, and reorder the region in its favour.” Washington’s response partly manifested as tariffs on Chinese imports. Also, Congress expanded the authority of the Committee on Foreign Investment in the United States (CFIUS) to block foreign investment transactions, including those from China. In addition, the 2018 Better Utilization of Investments Leading to Development Act created the International Development Finance Corporation, a Washington rival to Beijing for infrastructure development.

The Sino-US rivalry has also intensified on the trade and technology fronts for the Biden Administration. For instance, the US government maintains most of Trump’s tariffs on Chinese goods. In March 2021, Biden’s trade agenda vowed to employ “all available tools to take on the range of China’s unfair trade practices that continue to harm US workers and businesses.”

How does China-US competition affect Thailand-US commercial cooperation going forward? The data runs contrary to the perception that Bangkok is leaning towards Beijing. The 2021 survey of ASEAN policymakers and thought leaders by the Institute of Southeast Asian Studies (ISEAS) found that Thailand embraces American economic clout while dreading its Chinese counterpart. When asked “What is your view of this economic power’s influence on your country?”, 85.7% of Thai respondents welcomed expanded US



economic clout in the region. In contrast, 79.3% of them were worried about Beijing's rising economic prowess. Also, a Thai majority believe that Sino-American relations "will continue to be rocky" and Bangkok does not want to choose sides. According to a report by the Center for Strategic and International Studies, Thai policymakers share the view that the bilateral "alliance is only being highlighted now because the United States wants to pull Thailand into a coalition against China." These reservations could present a challenge to deeper Bangkok-Washington economic cooperation.

Given these dynamics and perceptions, several initiatives can be advanced in the areas where both states' interests converge. For example, the US and Thailand will need to recover from COVID-19. To this end, more international trade and investment is needed. As a result, the 2002 US-Thailand Trade and Investment Framework Agreement should be upgraded. Doing so will not only spur bilateral commercial and capital flows, but also enhance regional supply chains. According to the 2021 ASEAN Business Outlook Survey, 53% of American companies operating in ASEAN economies now rely on Thailand for their operations. 31% of these firms are looking to expand to the country in the next five years. Consequently, the upgraded deal would help the other Southeast Asian economies recover from the pandemic.

Bilateral ties can also be fostered via regional frameworks, namely the US-ASEAN Connect, Regional Comprehensive Economic Partnership (RCEP), and Mekong-US Partnership. First, Washington has recently aligned U.S.-ASEAN Connect with the ASEAN Comprehensive Recovery Framework (ACRF) which serves as ASEAN's "consolidated Community-wide exit strategy" from the pandemic. ACRF has five strategies focusing on health systems, human security, regional economic integration, digital transformation, and regional resilience and sustainability. Moving forward, the United States could leverage the synergies between the U.S.-

ASEAN Connect and ACRF to, for example, galvanize Thailand's digital transformation via USAID's Inclusive Growth in ASEAN through Innovation, Trade and E- Commerce (IGNITE) projects.

RCEP is a free trade agreement between ten ASEAN member states and five of ASEAN's dialogue partners – Australia, China, Japan, New Zealand, and South Korea. While Washington is not a RCEP party, this arrangement can be used to tighten US-Thailand commercial relations. As products only need 40% regional value content to qualify for duty-free treatment under RCEP, 60% of a good's value-added components can be sourced from non-RCEP countries. This ultimately provides ample room for Bangkok and Washington to foster their economic ties going forward.

In addition, the Mekong-U.S. Partnership is a collaborative framework among the US, Cambodia, Laos, Myanmar, Thailand, and Vietnam. The Partnership covers several areas ranging from economic connectivity to transnational water resource management. In August, Secretary of State Blinken unveiled four flagship programs, including USAID Mekong Safeguards to strengthen "environmental, social, and governance (ESG) standards for infrastructure development in the Lower Mekong region." Via this scheme, Washington could assist Bangkok in achieving sustainable infrastructure development. Moreover, the United States should consider adding a leaders' meeting to the partnership, rather than limiting coordination to the ministerial level. Doing so will match the gravitas of the summits for the China-led Lancang Mekong Cooperation framework.

There are in fact many opportunities to advanced Thailand-US economic relations; all of them will require attention, energy and innovation from both countries' governments, civil societies and private sectors.



Can US Assistance Reinvigorate the US-Thai Alliance?

■ **Thomas Parks**, the Thailand Country Representative for The Asia Foundation, explains that “US-Thai relations matter now more than ever. Since 2018, the United States has been expanding security cooperation with Thailand, after the historic lows of the post-2014 coup years.”

Mainland Southeast Asia is a pivotal region in the geostrategic landscape. It is also the area of the Indo-Pacific region where the United States and its allies are the least well-equipped to compete with China. Within this context, Thailand is poised to play a crucial role in shaping the stability, prosperity, and geopolitical balance. Thailand is ASEAN’s second-largest economy, and the subregion’s economic hub. Thailand is critical for promoting sub-regional cooperation and economic integration. As the only country that shares borders with Myanmar, Cambodia and Lao PDR, Thailand has a major stake in the future of the Mekong River. It is also the largest trading partner for Lao PDR, and a key destination for migrant workers from Myanmar, Cambodia, and Lao PDR. Thailand’s role in mitigating the crisis in Myanmar, while often criticized, will be crucial to any viable pathway back to peace and democracy. Given Thailand’s extensive cooperation with China – and its treaty alliance with the United States – this subregional middle power is likely to influence the geopolitical balance in this region for years.

Arguably, US-Thai relations matter now more than ever. Since 2018, the United States has been expanding security cooperation with Thailand, after the historic lows of the post-2014 coup years. In mid-2021, US efforts in vaccine diplomacy also proved to be a major break-through. Just as the Delta variant was ripping through the region, and in response to urgent requests from key segments of Thai society, the United States has responded with donations of 2.5 million Pfizer

vaccines, along with \$5 million in assistance for Covid response. Meanwhile, millions of Thais are eagerly awaiting the arrival of vaccine orders from Pfizer and Moderna in the coming months. But what about US assistance to Thailand more broadly? Officially, USAID has no bilateral program. Thailand graduated from US assistance in 1995 and given USAID’s focus on the Journey to Self-Reliance it is unlikely that the US will re-start a dedicated bilateral aid program. Despite this, US assistance programs continue to operate in Thailand, albeit mostly through regional activities. Some forms of US assistance are highly valued and have contributed to positive US-Thai relations in recent years. For instance, US regional programs on health and law enforcement were implemented in close cooperation with the Thai Government and have made important contributions to the bilateral relationship. Other areas of assistance, however, have been irritants in the relationship, particularly democratic governance and programs addressing the ongoing conflict in the southern provinces of Thailand. Recent developments at USAID indicate an important shift towards more strategic cooperation with Thailand on development assistance. Recognizing the important role that Thailand plays in supporting development in the rest of the region, USAID is embarking on a new partnership with the Thailand International Cooperation Agency (TICA). In August, USAID and TICA announced a new \$5 million partnership to jointly support development in neighboring countries. The recently released Regional Development Cooperation Strategy (2020-2025) includes a commitment by USAID to “elevate Thailand’s role within the region” through more trilateral cooperation in third countries.

This new strategy is a possible game-changer for the US-Thai relationship. Thailand has a clear stake in ensuring that development in this region is done in a way that protects against external influence. For example, the Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS), initiated by Thailand in



2003, is an important effort to provide alternative financing for development and infrastructure for the five Lower Mekong Countries, without the accompanying pressure of an external power. A 2019 study found that there are 13 separate multilateral development schemes in mainland Southeast Asia, but only ACMECS includes the five governments with no external powers. This is a crucial advantage when compared to the Mekong-US Partnership or Lancang-Mekong Cooperation. Admittedly, ACMECS has been very slow to take shape, and is unlikely to be a serious provider of development finance in the coming years. But as a platform for the five countries in the region to come together, it is an important step towards greater self-determination of the development and geopolitical trajectory of the region.

Despite recent progress, if US assistance is going to reinvigorate the US-Thai Alliance, then a few other changes are needed. First, US assistance needs to work more closely with the Thai Government. USAID programs are delivered through the Regional Development Mission Asia (RDMA), which manages a complex portfolio of regional programs across Asia. In normal conditions, USAID bilateral missions are 100% dedicated to a single country, manage a pipeline of programs in that country, and invest in building relationships with the counterpart government. For RDMA, Thailand is a very small part of their portfolio, there is no dedicated bilateral budget, and as such, it is often more challenging for them to develop relations with the Thai Government compared to bilateral missions.

The situation is further complicated by US government funded programs that focus on sensitive issues for the Thai government. For the past 25 years as economic development assistance and direct support to the Thai government was phased out, US funding has continued to support a range of democratic governance and peacebuilding programs in Thailand that have largely been implemented by civil society and US contractors. They include programs in the conflict-affected regions of southern Thailand,

and various political participation and democracy promotion activities. Given Thailand's ongoing problems with military coups, eroding democratic norms, and human rights violations, these issues are important for Thailand's future. However, the focus of US assistance on these problematic areas has created mistrust among Thai diplomats and senior officials.

On these sensitive issues, Thai authorities expect significant oversight of foreign funded programs. On multiple occasions, senior Thai officials have expressed their frustration to me, noting that they are rarely consulted on the selection of issues, and object to some of the activities. While the US government's interest in these areas is justifiable and likely to continue, without significant changes, these programs will continue to be an irritant in US-Thai relations. The most important way for US assistance to strengthen the US-Thai relationship, is to prioritize areas of shared interest, and respect Thai sensitivities. The new strategy for trilateral cooperation in the Mekong sub-region is a great start. But the United States could also support Thailand with its efforts to escape the middle-income trap, jumpstart post-Covid economic recovery in the tourism sector, promote innovation and start-up led growth, and strengthen the Bio-Circular-Green Economy (BCG). Programs addressing democratic governance will require much more engagement with Thai authorities and a focus on issues amenable to both sides. This will not require a large influx of funds. However, it will require more programs that focus on issues and needs identified by the Thai government, not Washington.

Thailand and the United States have a clear mutual interest in the rest of mainland Southeast Asia. Getting behind Thai-led efforts can help to transform the perception of US assistance and create a new sense of shared strategic interests and cooperation. But unlike the past, it is crucial for the United States to allow Thailand to take the lead.



Thai-US Bilateral Relations: Benefits and Challenges

■ Arunrat Chumroentaweep, Consulting Manager at Tractus Asia, explains that “American firms enjoy two significant benefits. First, US entities are permitted to maintain a majority shareholding or to wholly own a company, branch office or representative office located in Thailand. Second, US companies are permitted to engage in business on almost the same footing as Thai firms and are exempted from most of the foreign investment restrictions imposed by the Foreign Business Act.”

Introduction

Thai-US bilateral relations can be traced back more than 198 years. However, relations have undergone radical transformations since their genesis. The Treaty of Amity and Economic Relations was signed in 1833 and amended later in 1966. It is a special economic relationship that gives special rights and benefits to US business entities in Thailand. American firms enjoy two significant benefits. First, US entities are permitted to maintain a majority shareholding or to wholly own a company, branch office or representative office located in Thailand. Second, US companies are permitted to engage in business on almost the same footing as Thai firms and are exempted from most of the foreign investment restrictions imposed by the Foreign Business Act.

Investment

Inflow into Thailand In 2020, the United States invested \$5.6 billion in Thailand. These investments accounted for 11% of the total FDI inflow into Thailand, being eclipsed by only Japan (12%) and China (17%). US FDI inflow into Thailand significantly increased this year,

expanding by 49% from the previous year. Conversely, FDI from China only rose by 2% and FDI from Japan shrank by 27%. It is worth noting that among Thailand’s top five FDI providers, the United States is the only source market outside Asia. The top three business sectors for US FDI were wholesale and retail trade – repair of motor vehicles and motorcycles, financial and insurance activities, and real estate activities.

Outflow from Thailand Similarly, since 2017, the US is the third largest recipient of Thai FDI—accounting for \$6.3 billion or 9% of Thailand’s total FDI outflow in 2020. It declined by 22% from the previous year. However, the amount of Thai direct investment abroad has been more than the US FDI inflow into Thailand. The top three business sectors for Thai FDI were financial and insurance activities, manufacture of chemicals and chemical products, and wholesale and retail trade – repair of motor vehicles and motorcycles.

Trade

In terms of trade, there is no bilateral Free Trade Agreement (FTA) between Thailand and the United States. It was initiated and negotiated in 2004, aiming at reducing and eliminating barriers to trade and investment between the two nations. However, FTA negotiations have been put on hold since 2006 after the dissolution of the Thai parliament and the coup. Despite this complication, bilateral trade values continue to increase.

Thailand As shown in Table 1, in 2020, the US was Thailand’s number one goods export destination, followed by China and Japan. Thailand was a net goods exporter to the United States. From 2019 to 2020, the value of Thai exports to the United States has risen 9% to \$34 billion. As the destination for 15% of Thai exports, the United States is Thailand’s

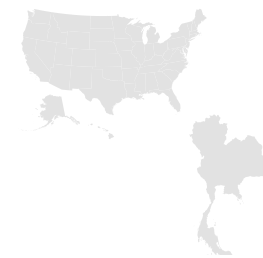


TABLE I: THAI-US TRADE STATISTICS, 2020

THAILAND							
Export to US		Export to World		Import From US		Import From World	
US Rank in TH	US Share in TH	World Rank	World Share	US Rank in TH	US Share in TH	World Rank	World Share
1 st	15%	24 th	1.3%	3 rd	7.3%	23 rd	1.2%

THE UNITED STATES							
Export to TH		Export to World		Import From TH		Import From World	
TH Rank in US	TH Share in US	World Rank	World Share	TH Rank in US	TH Share in US	World Rank	World Share
25 th	0.8%	2 nd	8.4%	16 th	1.6%	1 st	13.8%

largest export market, whereas China and Japan accounted for 13% and 10% of Thai exports, respectively. The top three products that Thailand exported to the United States were hard disk drives, proprietary format storage devices, and new pneumatic rubber tires used for motor cars.

In 2020, the US market was Thailand’s third largest source for imported goods, after China and Japan. The value of goods imported from the United States dropped 14% from 2019 and was at \$15 billion or 7.3% of Thailand’s imports, while Chinese and Japanese goods captured 24% and 13% of the Thai import market, respectively. The top three products that Thailand imported from the United States were crude petroleum oils, tanks and other armored fighting vehicles, and electronic integrated circuits parts.

The United States In 2020, the United States had a trade deficit with Thailand. Thailand was the 25th largest destination for exports from the

United States, capturing 0.8% of US exports. Conversely, 1.6% of U. imports were Thai goods, making Thailand the 16th largest provider of imports to the United States.

Benefits

Undeniably, US businesses in Thailand have benefited considerably from the Treaty of Amity as they can wholly own companies and are exempted from certain restrictions of the Foreign Business Act. At the same time, US FDI provides critical capital for Thai industries to expand and is a boost to domestic businesses. Investment from the United States will eventually increase Thailand’s economic growth and job creation. An additional benefit is technology and knowledge transfer. US businesses in Thailand also bring in the latest technologies and provide job training to Thai employees. These exchanges serve to advance the development of Thailand’s human capital.





Challenges

The fact that political instability in Thailand has not deterred foreign investors' confidence bodes well for the future of US-Thai commerce. According to the Thailand Board of Investment's annual Foreign Investor Confidence Survey (2020), 77% of investors expected to maintain their current investment level and 19% had plans to expand their investment in Thailand.

A challenge Thailand may face is profit repatriation if US businesses are unwilling to reinvest profits back into Thailand. This eventuality would create a huge capital outflow from Thailand. However, this possibility is mitigated by Thailand's Exchange Control Act, which aims to maintain the stability of Thai baht and monitor capital outflows. The Act permits investments to be repatriated freely but requires supporting documentation such as evidence of sale to an authorized bank.

Recommendation

Finally, the governments of Thailand and the United States should consider resuming FTA negotiations. One of the obvious benefits of reducing and eliminating trade and investment barriers is lower prices. Imported goods will become available at a lower price, allowing local consumers in both countries more affordable access to a variety of products. Additionally, an FTA will increase efficiency. A Thai-US FTA could be a catalyst for making local industries as well as the nation more competitive in the region. During FTA negotiations, both governments need to thoroughly consider the adverse impacts of an FTA and explore ways to mitigate these challenges. In addition, the Thai government may need to provide adequate support to domestic industries to boost competitiveness, particularly training in weaker areas of industrial expertise such as digital economy, e-business, human capital development, and advanced manufacturing.



US-Thai Economic Prospects— Turning A New Page

■ **Judy A. Benn**, Former Executive Director American Chamber of Commerce in Thailand, explains that “for Thailand to take full advantage of post-pandemic opportunities and reignite its economy to make-up for the last 18 months, the nation will need to capitalize on its centralized geographic location and position as one of Southeast Asia’s strongest manufacturing bases.”

The United States and Thailand have always recognized the strong economic ties between the two countries that have existed for two hundred years and together they continue to make their commercial relationship a top priority. In 2002, the U.S.-Thailand Trade and Investment Framework Agreement (TIFA) was signed and provided a strategic framework and principles for dialogue and cooperation on trade and investment issues. Key issues addressed in TIFA talks include General System of Preferences reviews, agriculture, customs, labor, and intellectual property protection and enforcement.

Shortly after coming into force, the TIFA was suspended in 2003 pending a potential US-Thai Free Trade Agreement. Ultimately the FTA did not materialize. The TIFA remains the primary vehicle for resolving trade and investment issues. Neither the United States nor Thailand are parties to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

Both countries (Thailand due to the 2014 coup d’état and the United States due to the Trump administration’s ‘America First’ program) have experienced destabilizing trade policies over the last several years which derailed significant attention and progress on TIFA. This delay has, sadly, resulted in both Thailand and the United States losing some of the economic competitive synergies they possess. The last TIFA talks were held in 2019 and a number of issues, including intellectual property rights (IPR) and customs

were still priority items. Both of these items weigh heavily on Thailand’s competitiveness for US companies.

For Thailand to take full advantage of post-pandemic opportunities and reignite its economy to make-up for the last 18 months, the nation will need to capitalize on its centralized geographic location and position as one of Southeast Asia’s strongest manufacturing bases. Additionally, Thailand’s enviable universal healthcare system and its aim to become Asia’s medical hub provides a strong foundation for strengthening existing medical supply chains and expanding the medical research and development already underway in the country. Talks on the TIFA should be prioritized, and continued pressure levied on both sides to join the CPTPP. Regardless of the TIFA and CPTPP arrangements, attention should urgently be focused on the new way business will be conducted in the future, both through the advancement of digital technology and supply chain, as these offer significant opportunities for Thai and US cooperation. Recommendations include:

I. Accelerate Adoption of Digital Technology.

The way companies operate will drastically change. The pandemic has undoubtedly accelerated this shift. It is imperative to strengthen policies that accelerate the digitization of supply chains, the transition to online content and service delivery, and the broader expansion of the “sharing economy”. This is a chance to create a viable infrastructure on which to build the “Internet of Things,” and enable new technologies such as telemedicine and robotics. Policies and regulations which comply with international standards for ensuring end-to-end security and integrity of data transfers are fundamental to these goals. A ‘trusted Internet’ is the cornerstone for a secure digital ecosystem in support of Thailand’s vibrant economic potential. Creating and maintaining that trust must be a shared and active responsibility of both the public and private sectors.



Thailand's Digital Government Agency (DGA) is also well-positioned to design and implement a whole-of-government approach to 'being digital'. A review to eliminate and reduce outdated laws and regulations, started under the nation's regulatory guillotine project in 2017, should be incorporated into the DGA. Outdated laws limit access to quality government services and obstruct and delay business processes.

Initiatives to increase e-payment literacy, combat cybercrime, and financial fraud will develop Thailand's financial infrastructure to be interoperable. With the increase in transnational crime and Thailand's history for lax law enforcement, opportunities exist to strengthen the financial framework the country needs to operate in a digital environment.

2. Focus on Supply Chain Advantages.

The disruption to supply chains has firms re-thinking their existing logistics to develop more resilient models. Production sites in China exporting to the United States are increasingly shifting to third countries due to China's rising labor costs, tighter environmental regulations, and the recent trade confrontation with the United States. US-China commercial relationships are also being challenged by recent developments in the digital space with China's heavy-handed approach to data localization, cross-border data restrictions, and investment prohibitions in the cloud. These issues have impaired the ability of US companies to compete in China and motivated them to look elsewhere. The new investment package that Thailand launched just prior to Covid-19, which covers investment acceleration incentives for advanced technologies and innovative production automation, dovetails neatly with this need.

There is also a need to reform regulatory policies to support supply chains within Thailand's borders. To realize its potential as a global production base, Thailand must ensure that cargo can efficiently travel across jurisdictions. Thus, regulations aimed at harmonizing customs and trucking networks will enable delivery of goods

with fewer obstacles and delays. Reforming Royal Thai Customs laws to meet international standards will also help streamline production logistics within the country.

3. Review Stringent Regulations.

With the pandemic, regulators are loosening or relaxing some requirements to accelerate regulatory clearance or procurement of certain products and equipment needed in the fight against Covid-19. Leniency at this time does not, however, imply less stringent enforcement on the part of regulators. Safety and consumer protection remain of paramount importance. As utilization of digital platforms and solutions increases and they progressively replace traditional modes of marketing and promotion, operators will need to take percolating legal issues into consideration and the enforcement of regulations in this area will need to be even more vigilant.

A recent partnership between a Thai company and a US company sought to merge digital technology with supply chain needs. Ultimately, the business venture produced the world's first fully integrated procure-to-pay blockchain solution that streamlined purchasing processes, payments, and financing acquisitions. This solution goes beyond improving supply chain efficiency. It also integrates suppliers into Thailand's e-tax invoice initiative for more frictionless processing and combats fraud by providing increased security and traceability. This example highlights the innovation occurring in the development of Thailand's digital infrastructure and the potential for US-Thai collaboration in the sector.

In mid-September China made a formal application to join CPTPP and this has renewed Thailand's interest in this regional trade pact. With China joining the CPTPP, the bloc will include more than 25% of the world's population. The United States cannot afford to let China dictate the trade rules for the region and lessen Thailand's interest in continuing its strategic dialogue with the United States on these important issues.



Old Ally, New Direction: Cobra Gold and Beyond

■ **Kitti Prasirtsuk, Ph.D.**, a Professor of International Relations at Thammasat University, explains that despite strained US-Thai relations over the past decade, the Cobra Gold (CG) military exercise “equates to a win for both sides” and “is the cornerstone of the US-Thailand alliance, representing a major bond between the two nations in their post-Vietnam War relations.”

As President Biden is strengthening alliance cooperation, the administration will likely revisit the U.S.-Thailand alliance. However, it is important to consider how the context for the alliance has changed.

Context

While U.S.-China competition is not new, it has significantly intensified in recent years. China has more global and regional influence due to its increasing economic, military, and technological prowess. China is now the largest trading partner of all Association of Southeast Asian Nations (ASEAN) countries, except Laos. Under Xi Jinping, China has sought to expand its influence in ASEAN through new initiatives, the most pertinent are the Belt and Road Initiative (BRI), the Asia Infrastructure Investment Bank (AIIB), and the Lancang-Mekong Cooperation (LMC). China has begun to pursue its territorial claims more assertively, steadily heightening tensions on the South China Sea.

Trade and technology wars are a new manifestation of U.S.-China tensions and presents opportunities and challenges for ASEAN countries, including Thailand. Supply chain diversification away from China is poised to direct new investment to many ASEAN countries. Meanwhile, the tech war may force a difficult

choice on the region, regarding 5G/6G. Using China-based Huawei risks incompatibility with the Western-based equipment. It may be imperative to have multiple systems assigned to different purposes, which will be very costly. Moreover, COVID-19 vaccine and recovery assistance has become yet another arena for US-China competition.

Concerns

Biden’s reengagement with the region has brought new concerns to the fore among ASEAN countries. The response of ASEAN members to the creation of AUKUS have ranged from welcome to opposition. The international fallout surrounding France’s exclusion from the arrangement, despite sending military vessels to the South China Sea at Biden’s behest, casts doubt over U.S. ability to coordinate broad multilateral action in the Indo-Pacific. Furthermore, the U.S. withdrawal from Afghanistan is reminiscent of America’s exit from Vietnam. These twin incidents undermine America’s reputation as a reliable partner.

Over the past decade, limited engagement between the United States and Thailand has strained bilateral relations. Thailand’s last Presidential visit was Obama in 2012. Vice President Kamala Harris also neglected to visit during her Southeast Asia tour. Biden’s omission of Thailand from the interim national security strategic guidance coupled with Trump’s suspension of Thailand’s status as a Generalized System of Preferences beneficiary seems to signal Thailand’s marginalization in U.S. Indo-Pacific policy. The latter happened despite that Thai Prime Minister Prayut called upon Trump at the White House in 2017. The United States is not solely to blame for the cooling in relations. Thailand has denied access to its air bases for some U.S. operations, such as NASA’s climate study in 2012 and humanitarian relief in the Rohingya crisis during 2017–18. Against this



backdrop, what is the way forward? The answer lies in “Cobra Gold.”

Cobra Gold

Established in 1982 at the eve of the Cold War, Cobra Gold (CG), a major military exercise, is the cornerstone of the US-Thailand alliance, representing a major bond between the two nations in their post-Vietnam War relations. Even today, cooperation under CG equates to a win for both sides. CG undertakings serve to project U.S. presence and power in the region, in addition to enhancing regional military strategy and tropical terrain operations. Functionally, CG exposes Thai military to large-scale drills as well as updated knowledge, weaponry, and strategy. Symbolically, CG signifies strong ties between the two nations. These ties function as indirect leverage in Thailand’s relations with other powers.

CG is proven to be long-lasting and resilient, though threat perceptions have diverged since the Cold War. While U.S. threat perception is driven by strategic competition with China, Thailand continues to see China as an important partner. Thailand is focused on non-traditional and transnational threats, particularly disaster response, human trafficking, narcotics, and cybercrime. Despite these differences, CG still can serve the security interests for both parties. CG has been evolving to include peacekeeping, antiterrorism, and humanitarian assistance and disaster relief (HA/DR) operations. CG has expanded to include Indonesia, Malaysia, Singapore, Japan, Korea as participants and China, India, and Australia as observers. This multilateralization is helpful in fostering security collaboration and confidence building among participating countries.

Recommendations

1. **Leverage Thailand as a key conduit for engaging other ASEAN countries.** As a leading ASEAN member, Thailand can partner with the United States on a host of regional initiatives. Engaging ASEAN serves U.S. interests. Most ASEAN countries do not want to choose between Beijing and Washington. However, increased U.S. engagement would increase ASEAN’s leverage in its relations with China.
2. **Engage Thailand and ASEAN on common security denominators.** Non-traditional security threats, especially HADR, anti-terrorism, and cybercrime, represent fertile ground for increased cooperation.
3. **Include more Lower Mekong countries in Cobra Gold as active participants, rather than observers.** Vietnam has shown interest and the United States should push for its participation.
4. **Rebrand Cobra Gold to signify its regional and multilateral scope, for example “Cobra Gold+.”**
5. **Institute a parallel track 1.5 academic-government conference during Cobra Gold to complement military exercises.**
6. **Engage beyond military relations.** A high-level U.S. visit to Thailand is needed. Regionally, President Biden should attend the East Asia Summit (EAS) from this year onward.
7. **Rejoin the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP)** to counterbalance the economic clout China has amassed through trade and investment initiatives.
8. **Ensure that the Build Back Better World (B3W) initiative partners with Southeast Asian nations to provide tangible benefits, sooner rather than later.**



9. **Step up U.S. public diplomacy and exchange programs**, particularly the Young Southeast Asian Leaders Initiative (YSEALI) and the International Visitor Leadership Program (IVLP). People-to-people connections are an important factor in enhancing U.S. soft power in the region.

10. **Capitalize on soft power through engaging and advancing various cooperation schemes through public and private initiatives.** The “U.S.-Thai Creative Partnership”, inaugurated under Obama, is a good example of how U.S. soft power can undergird dynamic cooperation.

remain influential in Southeast Asia. However, the region welcomes U.S. engagement with Thailand and ASEAN, as a much-needed counterbalance to China’s international clout. In this effort, Washington needs to be more subtle and understanding. It will be paramount to avoid the pitfalls of allowing security concerns to dominate bilateral relations in Southeast Asia, permitting U.S. domestic issues to derail engagement, and failing to adequately resource regional initiatives. Despite these challenges, the U.S.-Thai alliance constitutes a critical avenue for U.S. engagement of the Indo-Pacific. If the alliance is not relegated to second-tier status, the two nations will surely find a way to continue their win-win cooperation.

Ultimately, the way forward for the U.S.-Thai alliance hinges on cultivating influence, which is not necessarily a zero-sum game. China will

