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Thailand's Ever More Pressing Need to Join CPTPP

Talks of Thailand joining Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) have been ongoing for nearly 2 years now. The initiative was met with as much support as criticism, thus warranting the Department of Trade Negotiation to conduct an in-depth study of the impact.

At present, we are merely 3 months away from the expected deadline. The research released is in favor of Thailand joining CPTPP. According to the study, Thailand's economy as a whole stands to benefit from CPTPP, with shiny new markets, specifically Canada and Mexico with whom Thailand had never had a free trade agreement before, open for exporters to explore. Success cases are to be had in Singapore and Vietnam, whose export grew by 9.92% and 7.85% respectively as a result of entering CPTPP. Beyond the new markets made accessible from the partnership, Thailand will benefit from the "single set rules of origin" where it allows goods that have undergone sufficient production within the CPTP to be granted with preferential tariff treatment. This, in a long run, will strengthen the Thai market and increase its relevance among the global supply chain as well as will attract foreign investment into the country.

There were growing concern that becoming a part of the CPTPP will spell doom for Thai agricultural sector and pharmaceutical industry. Among the many arguments by the opponents of CPTPP, the most hotly debated one is that the agreement comes with potential reduction in public access to drugs (as enforcing Compulsory Licensing is not immune to lawsuits) and the tendency for corporations to monopolize plant species (as a result of UPOV1996). Mrs. Oramon Saphaweetham,

DTN Director General, addressed these concerns at a press conference in late February that CPTPP had removed the conditions regarding Compulsory Licensing, making it no longer an issue. It is also worth noting that issues can still be negotiated and the decision will have to obtain parliamentary approval prior to ratifying the agreement.

The consequences of Thailand's absence in this partnership could be dire. Inaction at a time every other country advances is threading backward. Adding to the existing pressure, Covid-19 is wreaking havoc on not only health and safety of the people but also the economy. Many nations are at a precarious turning point and Thailand is no exception. As of 2019, 27% of total export from Thailand goes to China, Japan, and Hongkong collectively, meaning a significant portion of export is bound to be swept away by the pandemic. Opening new markets could provide the stimulus Thai economy needs to recover from Covid-19. A similar situation might apply to other nations, which means having new trade partners in a multilateral collaboration may be welcomed with more enthusiasm.

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